

The background of the cover is a photograph of a high-voltage electricity pylon. The pylon is a lattice structure, painted red and white, and is surrounded by several high-voltage power lines. The scene is set in a flat, open landscape under a clear blue sky. The image is divided into several geometric sections by white diagonal lines. The text is overlaid on these sections: 'NPG TRANSELETRICA' is in the top left, 'Annual Report' is in the top right, and '2025' is in the middle right.

NPG TRANSELETRICA

Annual

Report

2025



Annual Administrators Report

Separated financial statements

Sustainability Report

Annual Consolidated Report

Consolidated financial statements OMFP

Consolidated financial statements IFRS



Societate Administrată în Sistem Dualist

The National Power Grid Company Transelectrica
 2-4 Olteni Street Bucharest, District 3, 030786, Romania
 Trade Register Number J2000008060404, Single Registration Code 13328043
 Phone +4021 270 04 53, Fax +4021 303 56 10
 Share capital subscribed and paid: 733.031.420 lei www.transelectrica.ro

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

Communicated in accordance with the provisions of Law 24/2017, Financial Supervisory Authority Regulation no. 5/2018 and the Bucharest Stock Exchange Code

Report Date: March 26, 2026

Name of the issuing entity: National Power Transmission Co. Transelectrica, managed under two tier system

Registered office: Bucharest, Olteni Street no. 2-4, sector 3

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

Unique registration code: 13328043

Trade Register serial number: J2000008060404

Subscribed and paid-up share capital: 733,031,420 RON

LEI code: 254900OLXCOUQC90M036

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

*Starting with **March 26, 2026**, The separate and consolidated financial statements for 2025, including the Annual Reports for 2025, as well as the Financial Auditor's Reports, will be available in electronic format, the ESEF Annual Financial Report on the Company's website, www.transelectrica.ro, in the Investor Relations-Periodic Reports section and will be part of the list of materials introduced on the agenda of the Annual Ordinary General Meeting of Shareholders, convened for the **April 29(30), 2026**.*

Summary of financial results for 2025

The year 2025 took place in an energy context characterized by accelerated transformations and increasingly complex regulatory requirements, amid the transition to a decarbonized and interconnected energy system at European level. Within this framework, Transelectrica has responsibly fulfilled its role as the sole Transmission and System Operator of electricity in Romania, ensuring the safe, stable and balanced operation of the National Electricity System.

In line with the Company's strategic objectives, Transelectrica continued to prioritize the development and modernization of the Electricity Transmission Network, with a focus on the integration of renewable sources, increasing the evacuation capacity of new producers from renewable sources, in particular, and adapting the infrastructure to the new consumption profiles. These directions of action are essential to support energy security, system stability and long-term economic development.

Thus, during 2025, taking into account the European and national legislative regulations on the electricity market in the current situation on the electricity market, the Company recorded total operating revenues in the amount of 5,573 mln. lei compared to the previous year, when total operating revenues of 7,879 million lei were recorded. her.

Nr.crt.	Operating income	U.M.	2025	2024
	Total Company Revenue	<i>[thousand lei]</i>	5,573	7,879
1	Income from activities with allowed profit, of which the main elements:	<i>[thousand lei]</i>	2,333	2,343
	<i>Regulated transport tariff income</i>	<i>[thousand lei]</i>	1,855	1,619
	<i>Interconnection revenues</i>	<i>[thousand lei]</i>	337	282
	<i>Other income (Grid losses anticipatory tariff income)</i>	<i>[thousand lei]</i>	1	102
2	Income from zero profit activities	<i>[thousand lei]</i>	3,240	5,537

Within the segment of activities with allowed profit compared to the previous year, the Company recorded a positive result of RON 463 million as of December 31, 2025, but down from the result of RON 531 million achieved as of December 31, 2024, in the context in which operating revenues were decreased by 0.4% (-RON 10 million), and operating expenses (including depreciation) increased by 3% (+RON 58 million).

Interconnection revenues increased by RON 55 million, respectively from RON 282 million in 2024 to RON 337 million in 2025, corresponding to the level of use of interconnection capacity availabilities by traders on the electricity market. The market for the allocation of interconnection capacities is fluctuating, with prices evolving according to the demand and need of electricity market participants to purchase interconnection capacity. Thus, the growth in the analyzed period was influenced by the model of price formation according to supply and

demand. Default allocations, in which capacity and energy are provided simultaneously, are strongly influenced by changes in the price of electricity on European stock exchanges.

In 2025, the Company recorded lower revenues from energy trading for Grid Losses (RON 45.8 million) compared to the similar period of 2024 (RON 95.5 million), respectively -RON 49.6 million.

The increase in operating expenses, including depreciation by RON 58 million (RON 1,870 million as of December 31, 2025 compared to RON 1,812 million as of December 31, 2024), was mainly influenced by the increase in maintenance expenses, personnel expenses and other costs (mainly tax expenses +RON 27 million).

The elimination of the centralized electricity purchase mechanism (MACEE) with regulated price from April 1, 2024, as well as the elimination of the electricity and gas price cap schemes as of July 1, 2025, led to price increases on the short-term markets.

The zero-profit segment recorded a negative result as of December 31, 2025 (-RON 142 million), compared to the positive result achieved on December 31, 2024 (+RON 48 million). The revenues of the zero profit activity registered a significant decrease mainly determined by the decrease in revenues on the balancing market (-RON 2,290 million) due to the prices recorded at the level of the balancing market, of the tariff approved by ANRE for system services compared to the same period of the previous year, in the context of the decrease in quantity by 0.2%.

The balancing market is used by Transelectrica to ensure the real-time balancing of consumption with production, to guarantee the safe and stable operation of the SEN and to manage any restriction within the SEN.

Indicators	U.M.	2025	2024	Δ
Financial				
Charged quantity	[TWh]	51.73	51.82	▼ 0,2%
ACTIVITIES WITH ALLOWED PROFIT				
Total Operational Revenues	[thousand lei]	2,333	2,343	▼ 0,4%
Average transport tariff (achieved)	[lei/MWh]	31.25	30.65	▲ 2%
Revenues from transmission and other activities on the energy market	[thousand lei]	2,273	2,087	▲ 9%
EBITDA	[thousand lei]	852	888	▼ 4%
Depreciation	[thousand lei]	(389)	(356)	▼ 9%
EBIT	[thousand lei]	463	531	▼ 13%
ZERO PROFIT ACTIVITIES				
EBIT	[thousand lei]	(142)	48	▼ N/A
ALL ACTIVITIES (WITH ALLOWED PROFIT AND ZERO PROFIT)				
EBIT	[thousand lei]	321	579	▼ 44%
Net profit	[thousand lei]	360	586	▼ 39%
Operational				
Net internal consumption	[TWh]	53.2	53.5	▼ 1%
Net internal production	[TWh]	49.5	50.6	▼ 2%
Net import	[TWh]	3.7	2.9	▲ 28%

* +Revenues, positive impact on profit (▲), +Expenses, negative impact on profit (▼)

The Company's net result **for all activities (with profit allowed and zero profit)** is RON 360 million, down by RON 214 million (compared to 2024 when it was RON 586 million), mainly due to the impact generated by the result of the zero profit activities, in the context in which the result of the activities with profit allowed was mainly diminished by the decrease of RON 196 million in the "Other income" component, e.g. short-term income that was no longer found in 2025 (income from emergency aid and the litigation won with ANAF in 2024 in the amount of 95 million lei, etc.)

Compared to 2024, there was a 31% increase in import trade and a 33% increase in export trade, respectively a 27% decrease in the energy transited, amid a lower domestic electricity consumption at the level of the SEN compared to the same period last year and in the conditions of the variations in hydraulicity during this period (compared to last year, much lower values were recorded in July 2025 and in the second half of September and higher during August 2025).

For the whole of 2025, the Grid losses in RET were lower by 6.9% compared to 2024, as a result of the decrease in energy entering the RET contour, the physical flows on the interconnection lines that are more advantageous overall, and the more favourable weather conditions in January, February, April, June, September and December, characterised by lower amounts of precipitation, which led to the reduction of corona losses.

The degree of achievement of the annual investment program as of December 31, 2025 is 104.9% compared to the 2025 Annual Investment Program approved by the General Shareholders' Meeting, 96.5% compared to the

2025 Annual Investment Program Revision A6 to the General Total and 96.9% in the Company's own expenses category (given that the approved value for the Company's own investment expenses remained unchanged in the PAI Revision A6 compared to the PAI approved at the General Shareholders' Meeting).

Expense categories		Scheduled 2025* (thousand lei)	Achieved 2025 (thousand lei)	Achieved 2024 (thousand lei)
Total general (A+B)		715.89	691.05	665.70
A	Company's own expenses	613.00	594.22	619.06
I	Investments in progress	554.89	538.24	597.85
II	New investments	17.25	16.51	5.46
III	Other investment expenditure	40.86	39.47	15.75
B	Investments financed from the connection tariff	102.89	96.82	46.64

(*)PAI 2025 rev. A6

The separate and consolidated financial statements as of December 31, 2025, as well as the Annual Reports on the Company's activity for the period January-December 2025 are available as of March 26, 2026, as follows:

- online, on the www.transelectrica.ro website, Investor Relations section Periodic Reports / Reports, respectively <https://www.transelectrica.ro/web/tel/aga> ;
- at the Company's headquarters: Olteni str. no. 2-4, sector 3, Bucharest.

In order to ensure compliance with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018, supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format as amended, the Annual Financial Report is also available in ESEF format.

The annual financial report, which includes the Directors' Report, the Separate Financial Statements, the Sustainability Report, the Consolidated Report, the OMFP Consolidated Financial Statements, the IFRS Consolidated Financial Statements, has been prepared in xHTML (Extensible Hypertext Markup Language) format. The IFRS consolidated financial statements included in the Annual Financial Report have been marked and labeled using the iXBRL (Inline Extensible Business Reporting Language) markup language and the IFRS taxonomy.

**Ștefăniță
MUNTEANU**
President
Directorate

**Cătălin-Constantin
NADOLU**
Member
Directorate

**Cosmin Vasile
NICULA**
Member
Directorate

**Florin-Cristian
TATAR**
Member
Directorate

We lead the power
NPG CO. TRANSELECTRICA

**Annual Administrators'
Report 2025**



ANNUAL REPORT

National Power Grid Company “TRANSELECTRICA” SA

on the Company's individual financial statements prepared in accordance with Order of the Minister of Public Finance (OMFP) No. 2844/2016, and drafted in compliance with Law No. 24/2017, as updated, regarding issuers of financial instruments and market operations, as well as Annex 15 of Regulation No. 5/2018 issued by the Financial Supervisory Authority (ASF), for the financial year ended on 31 December 2025.

Report Date:	18 March 2026
Issuer:	National Power Grid Company TRANSELECTRICA SA, a company managed under a dualistic governance system
Registered Office:	Bucharest, 2–4 Olteni Street, District 3, postal code 030786
Telephone/Fax:	021 303 5611/ 021 303 5610
Unique Registration Code with the Trade Register (ORC):	13328043
Trade Register No.:	J2000008060404
LEI Code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of Incorporation of the Company	31 July 2000/ OUG 627
Share Capital:	RON 733,031,420, subscribed and paid up
Regulated Market on which the issued securities are traded	Bucharest Stock Exchange Symbol: TEL ISIN: ROTSELACNOR9 Type: Shares Segment: Main Category: Premium Status: Tradeable
Main characteristics of the issued securities:	73,303,142 shares with a nominal value of RON 10 per share; shares issued in dematerialised form, registered, ordinary, indivisible, freely tradable since 29 August 2006 under the symbol TEL
Total Market Capitalisation:	RON 5,497,735,650 (RON 75.00 /share as at 30 December 2025)
Applied Accounting Standard:	International Financial Reporting Standards (IFRS)
Audit:	The separate financial statements prepared as at 31 December 2025 are audited.

Table of contents

Message from the Supervisory Board	2
Supervisory Board	4
Statement of the Supervisory Board	8
Message from the Executive Board	9
Board of Directors	11
Changes within the Transelectrica Board of Directors	13
Key Figures	15
Important events.....	16
Management Report.....	17
Management Report.....	17
1. The business model	18
1.1. Positioning in the electricity market.....	18
1.2. Portfolio of activities and pricing model.....	20
2. Organisational Structure	22
TEL Shareholdings	22
3. Transelectrica on the capital market.....	26
3.1. Shareholding Structure.....	26
3.2. Share Price Evolution.....	26
3.3. Dividend per share	28
3.4. Rating	28
3.5. Investors and Stakeholder.....	29
4. Risk management	31
4.1. Risk Management Policy.....	31
4.2. Transelectrica's Risk Management Objectives	32
4.3. Main Identified Risks	32
5. Human Resources	39
5.1. Professional Training.....	42
5.2. Trade Union Representation	43
5.3. Responsibility towards Employees	43
6. Research and Innovation Activity.....	45
7. Perspectives and challenges	52
Operational Report	55
8. Operational Data.....	53
8.1. Network Configuration.....	53
8.2. Selected Operational Data	55
9. ETG Development	64
9.1. Annual Investment Program.....	73
9.2. Sectorial Procurement Activity	82
9.3. European Funds.....	83

9.4.	Quality of Transmission and System Service Provided	87
9.5.	Maintenance	89
10.	European Projects, platforms, affiliations	93
10.1.	European Projects	93
10.2.	Platforms	100
10.3.	Affiliations	102
	Financial Report	105
11.	2025 Separate Financial Results	104
11.1.	Separate Statement of Profit and Loss	106
11.2.	Balance sheet – Financial position	113
12.	Regulated tariffs for electricity transmission	122
13.	Disputes	126
	Corporate	101
	Governance and Social Responsibility Report	101
14.	Corporate Governance	132
15.	Corporate Social Responsibility	151
	Annex 1 - Articles of Association amended in 2025	160
	Annex 2 - Appointment/revocation documents issued in 2025	160
	Annex 3 - Important contracts concluded by the company in 2025	160
	Annex 4 - Transelectrica Subsidiaries	164
	Annex 5 - Significant Transactions	164
	Annex 6 - Disputes	165
	Annex 7 – Glossary of terms	179

Figure 1: Organisational chart.....	4
Figure 2 : The electricity value chain.....	18
Figure 3 : Electric Transmission Grid	19
Figure 4 : Portfolio of activities	20
Figure 5: Evolution of the Shareholding Structure 2025–2024	26
Figure 6: Share Price Evolution 2025	27
Figure 7: TEL vs BSE Indices 2025	27
Figure 8: ROBOR 1M, 3M, 6M January-December 2025	34
Figure 9: Exchange Rate Evolution 2025	35
Figure 10: Staff Structure by Gender – 2025	40
Figure 11: Number of Employees by Seniority Groups – 2025	40
Figure 12: Staff structure by age 2025.....	41
Figure 13: Distribuion of Course Participations by Field	42
Figure 14: Map of the ETN Connection Capacity	53
Figure 15: Energy Balance (TWh).....	56
Figure 16: Generation Mix 2025–2023 (TWh)	57
Figure 17: Installed Capacity 2025 (19,368 MW gross value)	57
Figure 18: Average Monthly Net Consumption (MWh/h)	57
Figure 19:Maximum Net Hourly Consumption (MWh/h)	57
Figure 20: Physical Cross-Border Flows (GWh)	58
Figure 21: Cross-Border Commercial Flows (GWh)	58
Figure 22: Utilisation rate of total allocated capacity (%)	59
Figure 23: Evolution of OTC relative to the energy entering the ETN	60
Figure 24: Monthly evolution of OTC in 2025	62
Figure 25: ETG Development Requirements 2024–2033.....	67
Figure 26: Configuration of the 11 RCC proposed by ENTSO-E.....	94
Figure 27: Net result (RON million)	104
Figure 28: Revenues and Expenses from Allowed Profit Activities (RON million)	108
Figure 29: OTC procurement mix by quantities purchased from the markets (GWh)	109
Figure 30: Average total (net) OTC price on markets (RON/MWh)	109
Figure 31: Results from zero-profit activities (RON million)	112
Figure 32: Financial results (RON million)	113
Figure 33: Value of fixed assets recorded in the accounts (excluding VAT, RON million)	114
Figure 34: Structure of the Supervisory Board as of December 31, 2025	133
Figure 35: CSR policy – dialogue with stakeholders.....	151

Table 1: Free Float Shares	26
Table 2: Stock Exchange Data 2025 -2023	27
Table 3: Transelectrica Rating	29
Table 4: Structure of Long-Term Debt *	36
Table 5: Number of Employees.....	40
Table 6: Number of Employees by Level of Education	40
Table 7: Staff Structure by Category.....	40
Table 8: Employee Structure by Length of Service.....	41
Table 9: Employee Structure by Length of Service within the Company.....	41
Table 10: Employee Structure by Age Categories.....	41
Table 11: Volume of Energy Capacities.....	54
Table 12: Energy Balance	56
Table 13: Net Electricity Generation Mix.....	56
Table 14: Installed Capacity (gross values)	57
Table 15: Maximum Consumption	58
Table 16: Cross-border interconnections (use of total allocated capacity %).....	58
Table 17: OTC Evolution.....	59
Table 18: Value of Investments Implemented in 2025–2023.....	73
Table 19: Main Major Projects with Commissioning for Operation (final and interim) completed in 2025	78
Table 21: Projects Financed from European Funds	83
Table 22: Indicators for the Management/Operation of the ETG.....	88
Table 23: Transmission Service Continuity Indicators	88
Table 24: Types of ETG Maintenance (RON million).....	91
Table 25: Research and Innovation projects funded by the "Horizon Europe" programme	98
Table 26: Revenues from Allowe Profit Activities	106
Table 27: Costs from Allowed Profit Activities	108
Table 28: Summary of revenues from zero-profit activities.....	110
Table 29: Summary of expenses from zero-profit activities	111
Table 30: Evolution of the exchange rate as at 31 December	113
Table 31: Cash Flow	119
Table 32: Economic and financial indicators in accordance with ASF Regulation 5/2018	120
Table 33: Performance indicators – Management plan, in accordance with GMS No. 13/22.12.2025	120
Table 34: Transmission tariff.....	122
Table 35: Tariff for Injection of Electricity into the Transmission Network (T_G).....	122
Table 36: Tariff for Withdrawal of Electricity from the Transmission Network (T_L).....	122
Table 37: Values of the Annual Investment Plans for the Fifth Regulatory Period, Broken Down by Sources of Financing.....	123
Table 38: Area occupied by power lines and substations.....	156
Table 39: Waste management.....	157

**REPORT OF THE
GOVERNING
BODIES**

2025

Message from the Supervisory Board

Dear Shareholders,

Dear Investors,

The year 2025 represented a significant milestone in the evolution of the National Power Grid Company Transelectrica S.A., marking 25 years of activity dedicated to ensuring the security and continuity of the National Power System. Throughout this period, Transelectrica has strengthened its strategic position within the Romanian energy sector, acting with responsibility and professionalism.

The performance achieved during this period reflects the competence and commitment of the Company's specialists, as well as a vision focused on sustainable investments and long-term development.

In an energy environment marked by the transition to clean energy sources, increasing pressure on infrastructure and growing operational complexity, Transelectrica has consistently fulfilled its fundamental mission as Transmission and System Operator, ensuring the secure, stable and balanced operation of the National Power System.

A central element of this approach is the preparation of the Electricity Transmission Network (ETN) Development Plan for the period 2026–2035, a strategic document outlining the directions for the modernization and expansion of the national energy infrastructure. Through major projects aimed at increasing interconnection capacity, integrating renewable energy sources and refurbishing existing installations, Transelectrica actively contributes to strengthening Romania's energy security and to achieving the European objectives related to sustainability and decarbonisation.

At the same time, the Company has strengthened its role within the European Network of Transmission System Operators for Electricity (ENTSO-E), actively participating in regional coordination processes and in initiatives aimed at enhancing the resilience and flexibility of energy systems. This involvement confirms Transelectrica's status as a reliable partner at the European level and a supporter of a balanced energy transition, implemented under conditions of security and predictability.

In the exercise of its duties, the Supervisory Board attaches particular importance to the continuous adaptation of the Company to economic, technological and legislative developments. The strategy promoted aims to identify the most appropriate solutions for the digitalisation and modernisation of infrastructure, as well as to maintain high standards of operational safety in a context characterised by accelerated change and increasingly complex requirements.

Corporate governance remains a fundamental element of Transelectrica’s activity, representing the basis for decision-making processes, control mechanisms and performance evaluation. Through the application of clear standards and rigorous monitoring criteria, we aim to strengthen a stable, predictable and transparent institutional framework, for the benefit of employees, shareholders and investors.

Throughout 2025, the Supervisory Board placed increased emphasis on strengthening dialogue with the investment community, in an increasingly dynamic business environment. Open communication, based on transparency, consistency and responsibility, remained a constant objective, intended to support relationships of trust and to facilitate a clear understanding of the Company’s strategic decisions.

We remain committed to supporting a sustainable and coherent development path that will enable Transelectrica to maintain its status as a strategic actor within the national and regional energy sector.

Through professionalism, responsibility and long-term vision, the Company is prepared to respond to future challenges and to consistently contribute to strengthening Romania’s energy security.

The Supervisory Board of the National Power Grid Company Transelectrica S.A.

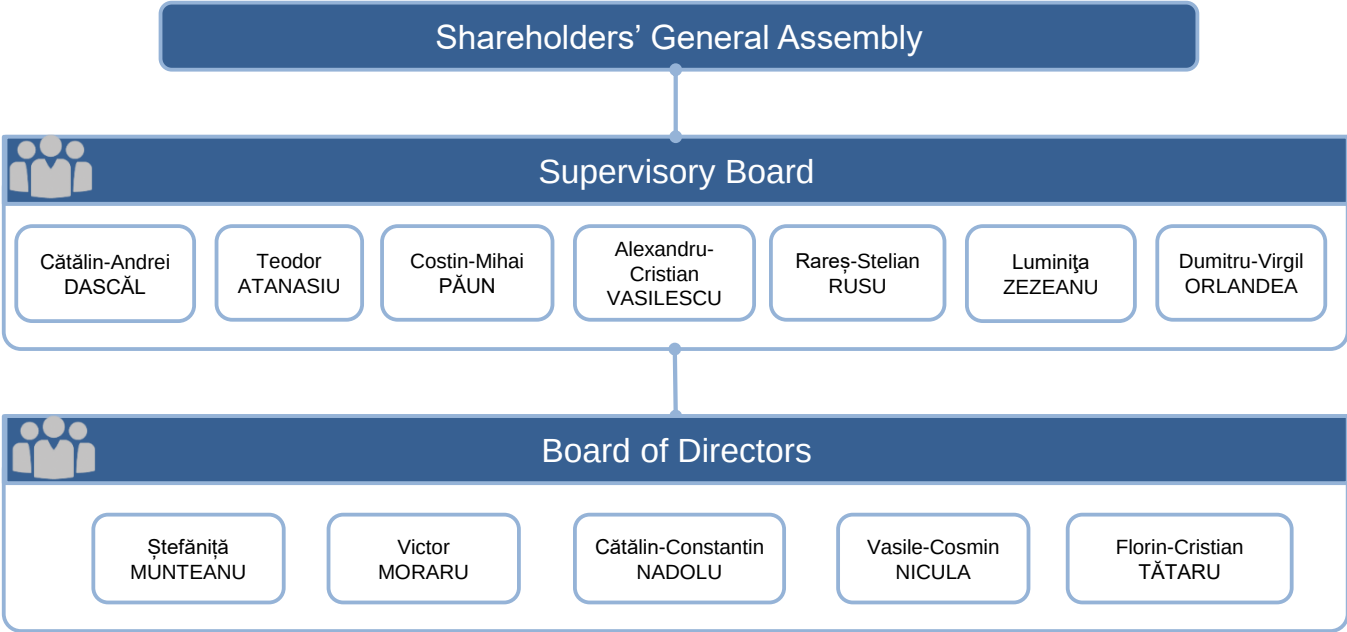
Cătălin-Andrei DASCĂL	Teodor ATANASIU	Costin-Mihai PĂUN	Alexandru-Cristian VASILESCU	Luminița ZEZEANU	Dumitru-Virgil ORLANDEA	Rareș-Stelian RUSU
Chairman of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory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

Supervisory Board

The National Power Grid Company Transelectrica S.A. (“NPG CO. Transelectrica S.A.”, “Transelectrica” or the “Company”) is a joint-stock company, organised and operating in accordance with the laws of Romania, and managed under a two-tier governance

system, pursuant to the resolution of the Extraordinary General Meeting of Shareholders dated 18 July 2012, by an Board of Directors (composed of 5 members) under the supervision of a Supervisory Board (composed of 7 members).

Figura 1: Structura organizatorică



As at the date of preparation of this Report, the composition of the Supervisory Board, with a mandate term until 29 February 2028, in accordance with OGMS Resolution No. 1/28 February 2024, is as follows:

Cătălin-Andrei DASCĂL – Chairman of the Supervisory Board

Starting with 22 April 2022, Mr. Cătălin-Andrei Dascăl was appointed provisional member of the Supervisory Board of National Power Grid Company Transelectrica S.A.

As of 1 March 2024, Mr. Cătălin-Andrei Dascăl joined the Supervisory Board of the National Power Grid Company Transelectrica S.A., with a four-year mandate as a non-executive member of the Company's governing body.

Mr. Dascăl joined Transelectrica's non-executive leadership team, bringing extensive experience in the legal field.

Mr. Cătălin-Andrei Dascăl's career includes managerial and executive positions through which he has acquired extensive legal expertise, both in the public administration and in the private sector.

Among the positions he has held, he served as legal adviser at IPCMG – REFAL SPRL, and as bailiff and

legal expert within the Authority for State Assets Administration.

Since 2006 to the present, Mr. Dascăl has been a lawyer and insolvency practitioner – member of INSOL Europe, founding partner and attorney at “Dascăl Ciotea și Asociații SPARL”, as well as founder and coordinating partner at “Dascăl Insolvency SPRL.”

In addition, from 2016 to the present, he has served as President of the National Union of Insolvency Practitioners of Romania (UNPIR) – Bucharest Branch, and since 2021 he has been a member of the National Governing Council of UNPIR and coordinator of working groups within this structure.

Mr. Cătălin-Andrei Dascăl graduated from the Faculty of Law of Nicolae Titulescu University, Bucharest, and holds a Bachelor's degree in Legal Studies from the Faculty of Law of the University of Bucharest. He also completed postgraduate studies in European Community Law (Faculty of Law, University of Bucharest) and Commercial Law (Bucharest University of Economic Studies).

Teodor ATANASIU – Member of the Supervisory Board

Starting with 22 August 2022, Mr. Teodor Atanasiu was appointed provisional member of the Supervisory

Board of National Power Grid Company Transelectrica S.A.

As of 1 March 2024, Mr. Teodor Atanasiu joined the Supervisory Board of the National Power Grid Company Transelectrica S.A., with a four-year mandate as a non-executive member of the Company's governing body.

Between 2017 and 2022, Mr. Teodor Atanasiu served as a member of the Regulatory Committee of the National Energy Regulatory Authority (ANRE).

Mr. Teodor Atanasiu attended the Technical University of Cluj-Napoca (formerly the Polytechnic Institute of Cluj-Napoca) and holds a degree from the Faculty of Mechanical Engineering.

Mr. Atanasiu also holds a certificate of completion from the Open University Business School, having attended courses in Financial Management, Competitiveness Management, and Customer Relationship Management with.

Costin-Mihai PĂUN - Member of the Supervisory Board

Starting on 22 April 2022, Mr. Costin Mihai Păun was appointed member of the Supervisory Board of National Power Grid Company Transelectrica S.A., assuming this position with over 30 years of experience in the European and national energy industry.

As of 1 March 2024, Mr. Costin Mihai Păun joined the Supervisory Board of the National Power Grid Company Transelectrica S.A., with a four-year mandate as a non-executive member of the Company's governing body.

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

Mr. Păun joined Transelectrica's non-executive leadership team with a distinguished career developed through the positions held within the energy sector.

Thus, Mr. Păun has significant experience in coordination activities with European Transmission System Operators (ENTSO-E and MED-TSO), with electricity Distribution System Operators, with National Regulatory Authorities, with the Agency for the Cooperation of Energy Regulators (ACER), with European Institutions (the European Commission, DG ENER, DG CONNECT, etc.), as well as with International Financial Institutions (the European Investment Bank, KfW, etc.).

Mr. Păun has designed, led and implemented European and international projects financed by the European Commission and International Financial Institutions, has established European consortia, and has developed studies and development plans for electricity networks. He has also contributed to new solutions within innovation initiatives and scientific research, being responsible for system operation, regulatory matters and the implementation of high-voltage projects.

He is Co-Founder (2011) and served as Secretary General (2011–2016) and Vice-President (2016–2021) of the professional association Romanian Energy Centre (CRE).

In addition, Mr. Păun served as a member of the Board of Directors of the Electricity Distribution System Operator "Electrica Distribuție Muntenia Nord" S.A. (2012–2016). He was also responsible for the preparation of the Ten-Year European Electricity Network Development Plan within ENTSO-E in Brussels (2010–2016), as well as for Regional Investment Plans in 4 out of the 6 ENTSO-E regions: the North Sea, the Baltic Sea, Continental South-West Europe and Continental Central-East Europe, and for network codes. He further served as Advisor on regulation, energy policy and electricity networks at EURELECTRIC – the Union of the Electricity Industry, Brussels (2002–2010), Member of the European Economic and Social Committee – Section for Transport, Energy, Infrastructure and the Information Society (2003–2006), and Training Coordinator in energy regulation and strategy (1993–1998).

Mr. Costin Mihai Păun graduated from the University Politehnica of Bucharest, Faculty of Energy Engineering, holding a degree in Electrical Engineering, a field in which he also obtained a PhD awarded by the University Politehnica of Timișoara.

He has also strengthened his expertise in the field of management through the master's degree programme "Financial and Banking Management", obtaining a Master of Business Administration (MBA) in Financial and Banking Management from the Romanian-American University in Bucharest.

Alexandru-Cristian VASILESCU - Member of the Supervisory Board

Beginning April 22, 2022, Mr. Alexandru Vasilescu was appointed as a member of the Supervisory Board of CNTEE Transelectrica SA, bringing with him expertise in consultancy and management within public administration. Subsequently, on March 1, 2024, Mr. Alexandru-Cristian Vasilescu officially joined the Supervisory Board of the National Power Grid

Company Transelectrica SA for a four-year mandate in the company's non-executive management.

Currently, Mr. Vasilescu serves as State Secretary within the General Secretariat of the Government, a position he has held since February 2022. He has over 15 years of experience in central public administration, spanning both executive and non-executive roles within the Government of Romania, including the Chamber of Deputies, the Department for SMEs, the Ministry for Information Society, and the General Secretariat of the Government, as well as various managerial positions in the private sector.

Mr. Alexandru-Cristian Vasilescu graduated from the Technical University of Civil Engineering Bucharest with a Bachelor's degree in Civil Engineering. He also holds a Master's degree in Construction Project Management from the same institution and is currently a PhD candidate at the University Politehnica of Bucharest.

Luminița ZEZEANU - Member of the Supervisory Board

Ms. Luminița Zezeanu joined the Supervisory Board of National Power Grid Company Transelectrica S.A. on 22 August 2022, as a member, bringing solid expertise in the development and financing of projects funded from European funds, as well as experience in the field of public administration.

Throughout her career, Ms. Luminița Zezeanu has worked in various areas of public administration, focused on regional development.

Thus, during the period 2006–2014, she held the position of Director of the Project Authorisation Board of Directors within the Managing Authority for the Operational Programme, Ministry of Regional Development and Public Administration.

As of 1 March 2024, Ms. Luminița Zezeanu joined the Supervisory Board of the National Power Grid Company Transelectrica S.A., with a four-year mandate as a non-executive member of the Company's governing body.

She resumed this management position during the period 2015–2016, and in 2017 she assumed the position of State Secretary within the Ministry of Regional Development, Public Administration and European Funds.

Ms. Luminița Zezeanu continued her activity in this field and, during the period 2017–2019, served as Director General of the Managing Authority for the Regional Operational Programme – Ministry of Regional Development and Public Administration.

From August 2022 to August 2023, she held the position of Director of the European Funds Board of Directors at SNTGN Transgaz. At present, she serves as State Secretary within the Ministry of Investments and European Projects.

Ms. Luminița Zezeanu graduated from the Faculty of Accounting and Management Information Systems of the Bucharest University of Economic Studies and continued her postgraduate studies in the United Kingdom at London Metropolitan University, where she studied international trade.

Dumitru-Virgil ORLANDEA - Member of the Supervisory Board

Mr. Virgil Dumitru Orlandea was appointed member of the Supervisory Board of the National Power Grid Company Transelectrica S.A. starting with 1 March 2024, for a four-year mandate as a non-executive member of the Company's governing body. Mr. Orlandea previously held the position of member of the Supervisory Board during the period October 2021 – October 2023.

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

During the period 2010–2012, Mr. Orlandea served as a member of the Boards of Directors and Supervisory Boards of several important companies in the Romanian energy sector, including Electrica S.A., Electrica Serv S.A., Hidroelectrica, Transelectrica and Oil Terminal. From 2013 to 2016, Mr. Orlandea carried out his activity within National Power Grid Company Transelectrica S.A. as Director of the Support Services Board of Directors. Subsequently, until 2021, he continued his activity within the Company as coordinator of the project "Energy Excellence Centre Sibiu", namely the Research and Development Centre for Live-Line Working Technologies and Rapid Intervention in the National Power System.

Mr. Virgil Dumitru Orlandea graduated from the Carol I National Defence University of Bucharest, College of Resource and Procurement Management. He also graduated from Lucian Blaga University of Sibiu, Faculty of Economic Sciences, holding a Master's degree in Integration of Tourism and Services, as well as a Master's degree in Strategies and Policies for Company Management and Marketing. In addition, he obtained a Master's degree in "Human Resources Management within Public Order Authorities" from the "Alexandru Ioan Cuza" Police Academy of Bucharest.

Rareș-Stelian RUSU - Member of the Supervisory Board

As of 1 March 2024, Mr. Rareș Stelian Rusu joined the Supervisory Board of the National Power Grid Company Transelectrica S.A., with a four-year mandate as a non-executive member of the Company's governing body.

Mr. Rusu has extensive management experience, acquired throughout his career through activities carried out both in the private sector and in public administration.

With extensive expertise within the Company, Mr. Rusu held the position of Director of the Cluj-Napoca Territorial Transmission Branch during the period 2009–2012, followed by that of Project Manager between 2012 and 2013. He also served as Advisor to the Board of Directors of Transelectrica, Manager of the Integrated Management, Commercial and Procurement Unit, and Manager of the Cluj Territorial Transmission Unit, during the period 2020–2021. Between 2021 and 2022, he held the position of Non-Executive Director of OPCOM S.A.

Mr. Rareș Stelian Rusu has over 25 years of experience in central and local public administration, both in executive and non-executive roles, within the Government of Romania and the Chamber of Deputies, as well as in the private sector, where he has held managerial positions and legal advisory roles.

Since 2021, Mr. Rusu has held the position of Vice-President of the National Agency of Civil Servants.

Mr. Rareș Stelian Rusu holds a Bachelor's degree in Political Science from the Faculty of Political Science and Public Administration of Babeș-Bolyai University, Cluj-Napoca, as well as a Bachelor's degree in Law from the Faculty of Law of Dimitrie Cantemir University, Cluj-Napoca.

He also completed master's degree studies in Energy Engineering at the Faculty of Electrical Engineering of the Technical University of Cluj-Napoca.

Advisory Committees of the Supervisory Board – composition as at the date of this report

Nomination and Remuneration Committee

The members of this committee are: Alexandru-Cristian VASILESCU (Chair), Cătălin-Andrei DASCĂL, Dumitru Virgil ORLANDEA, Luminița ZEZEANU, Teodor ATANASIU, Costin-Mihai PĂUN

Audit Committee

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

Risk Management Committee

The members of this committee are: Teodor ATANASIU (chair), Alexandru-Cristian VASILESCU, Cătălin-Andrei DASCĂL, Rareș Stelian RUSU, Dumitru Virgil ORLANDEA

Investment and Energy Security Committee

The members of this committee are Costin-Mihai PĂUN (chair), Cătălin-Andrei DASCĂL, Luminița ZEZEANU, Teodor ATANASIU, Dumitru-Virgil ORLANDEA

Changes within the Supervisory Board

16 octomber 2025 – the members of the Supervisory Board, in accordance with the Articles of Incorporation of the Company and with Art. XX para. (4) of the Rules of Organisation and Functioning of the Supervisory Board, amended the composition of the Nomination and Remuneration Committee within the Board.

- Vasilescu Alexandru-Cristian – chair,
- Atanasiu Teodor,
- Dascăl Cătălin Andrei,
- Orlandea Dumitru-Virgil,
- Păun Costin-Mihai,
- Zezeanu Luminița,

The mandate of the current Supervisory Board runs until 29 February 2028.

Statement of the Supervisory Board

regarding the Separate Financial Statements prepared in accordance with the International Financial Reporting Standards

The Supervisory Board operates on the basis of corporate governance principles, which require the Company to adopt a responsible, professional and objective approach in its relations with stakeholders. Within the Board, the Company's strategy and the assumptions regarding the environment in which it operates are analysed in order to plan its development and performance, ensuring a rigorous formulation of objectives.

The separate financial statements prepared as at 31 December 2025 have been audited, and the external auditor's opinion is unqualified, which means that all significant information reflected in the main items of the balance sheet is relevant, reliable, comparable and appropriate.

At the same time, the Annual Report of the Board of Directors, prepared in accordance with the requirements of capital market legislation, has been reviewed by the members of the Supervisory Board. The information presented in the 2025 Annual Report provides a true and fair view of the Company's results for the 2025 financial year.

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

With highest consideration,

The Supervisory Board represented by

Chairman

Message from the Executive Board

Dear Shareholders,

Dear Investors,

The year 2025 unfolded in an energy context characterised by accelerated transformations and increasingly complex regulatory requirements, against the backdrop of the transition towards a decarbonised and interconnected energy system at the European level. Within this framework, Transelectrica responsibly fulfilled its role as the sole Transmission and System Operator of electricity in Romania, ensuring the secure, stable and balanced operation of the National Power System.

The activity of the Board of Directors (herein „BoD”) in 2025 was focused on maintaining operational continuity, prudent risk management and the consistent implementation of the strategic directions set out in the Management Plan. The continuous adaptation of internal processes, the strengthening of planning mechanisms and the optimisation of operational activities enabled the Company to respond effectively to market developments and to manage the increasing complexity of the energy system.

In line with the Company’s strategic objectives, Transelectrica continued to prioritise the development and modernisation of the Electricity Transmission Network (ETN), with a focus on the integration of renewable energy sources, increasing evacuation capacity for new renewable generation facilities in particular, and adapting infrastructure to new consumption profiles. These lines of action are essential for supporting energy security, system stability, and long-term economic development.

A defining element of the activity in 2025 was the capitalisation of European financing opportunities dedicated to the energy transition. Transelectrica is implementing a significant portfolio of projects supported through the Modernisation Fund, the National Recovery and Resilience Plan – REPowerEU, and the Sustainable Development Programme, with the cumulative value of the European funding attracted amounting to approximately RON 639 million. These projects create the conditions for an accelerated modernisation of the transmission infrastructure and its alignment with European standards of performance, safety and reliability.

At the European level, the Company further strengthened its active involvement within the European Network of Transmission System Operators for Electricity (ENTSO-E), contributing to regional coordination processes and to the development of interconnection capacities. In an increasingly integrated energy market, these initiatives are essential for enhancing system resilience and for ensuring security of electricity supply.

At the same time, Transelectrica continued its investments in modern technological solutions, focused on digitalisation, automation and the enhancement of operational efficiency. The integration of these solutions represents a necessary response to the new models of electricity generation and consumption and contributes to strengthening the Company's capacity to manage an increasingly dynamic and complex energy system.

In its relationship with shareholders and investors, the Board of Directors pursued the consolidation of a transparent, coherent and predictable communication framework, in line with the Company's corporate governance principles. The continuous provision of relevant and accurate information aimed to support open dialogue and to strengthen confidence in Transelectrica's capacity to implement its strategic objectives.

The year 2025 confirmed that the energy sector is undergoing a stage of accelerated maturation, in which technological transformations, digitalisation, artificial intelligence and new regulatory requirements overlap with increasingly complex operational responsibilities. In this context, Transelectrica continued to fulfil its essential role within Romania's energy system, acting with responsibility, rigour and adaptability, in an environment marked by uncertainties and structural challenges.

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Board of Directors of the National Power Grid Company Transelectrica SA

Board of Directors

As at the date of issuance of this report, the composition of the Board of Directors of Transelectrica is as follows:

Ștefăniță MUNTEANU - Chairman of the Board of Directors

Mr. Ștefăniță Munteanu joined the Board of Directors of the National Power Grid Company Transelectrica S.A. on 25 December 2021, and since 24 April 2023 he has held the position of Chief Executive Officer of the Company. Beginning on 3 October 2024, Mr. Munteanu will continue his mandate in this position for a period of four years.

Mr. Ștefăniță Munteanu has relevant and diversified experience in both the private and public sectors, having acquired throughout his career a well-defined expertise in key areas such as management, the energy industry, marketing, sales and strategy.

With a strategic vision and a results-oriented approach, Mr. Munteanu has managed and coordinated initiatives and projects aimed at strengthening organisational culture and optimising internal operational processes, contributing to the sustainable development of the institutions and organisations in which he has been active.

With a professional career spanning both the private and public sectors, Mr. Ștefăniță Munteanu has expertise in areas such as management, the energy industry, marketing, sales and strategy.

Mr. Munteanu joined the executive management team of National Power Grid Company Transelectrica S.A. from the position of Indirect Sales Manager within SC Electrica Furnizare S.A., AFEE Buzău, a company where he had previously held the position of Deputy Director (2019–2020), as well as management consultant.

With regard to his experience in the public administration sector, Mr. Munteanu held the positions of Deputy Secretary General within the Ministry of Tourism during the period January–May 2017, Advisor to the Prime Minister from May 2017 to January 2018, as well as Advisor to the State Secretary within the Ministry of Waters and Forests (February 2018 – February 2019).

Mr. Ștefăniță Munteanu graduated from the Faculty of Management and Marketing of the Romanian-

American University in 2006, obtaining a Bachelor's degree in Economics.

Florin Cristian TĂTARU, Member of the Board of Directors

Mr. Florin Cristian Tătaru joined the Board of Directors of the National Power Grid Company Transelectrica S.A. starting on 25 December 2021, and as of 3 October 2024, he continues his mandate in this position for a period of four years. Previously, Mr. Tătaru also held this position during the period 2017–2018.

Mr. Tătaru is a professional with experience in the banking, financial and managerial fields, having built a long-standing management career through the holding of leadership and strategic coordination positions.

With extensive experience accumulated in the banking, financial and managerial fields, Mr. Florin Cristian Tătaru has expertise in public and corporate finance, public policy, the energy industry and leadership. His active involvement in large-scale projects has enabled him to consolidate his professional career, thus contributing to the development of projects with significant impact in these areas.

During the period 2011–2016, in his capacity as Member of Parliament, Mr. Tătaru carried out his parliamentary activity, participating in economic reform processes and contributing to the drafting and implementation of legislative initiatives aimed at supporting the stability and prosperity of the economic environment. This professional experience provided him with a thorough understanding of economic mechanisms and a clear vision of the strategies required to optimise performance at the organisational level.

Mr. Tătaru joined the management team of National Power Grid Company Transelectrica S.A. with over 30 years of managerial experience, gained in both the private sector and the public sector.

A graduate of the Faculty of International Economic Relations of the Bucharest University of Economic

Studies (1990), Mr. Tătaru has completed several master's degree programmes at , including "Health System Management," "Public Policy and European Integration," and "Banks and Capital Markets." He has also attended courses such as "Security and Good Governance" and "Current Issues of National Security" at the National Defence College. At present, Mr. Florin Cristian Tătaru is enrolled in an MBA programme in Energy, designed for professionals and managers active in this dynamic and complex field, conducted within the Bucharest University of Economic Studies.

Cătălin Constantin NADOLU, Member of the Board of Directors

Mr. Cătălin-Constantin Nadolu joined the Board of Directors of the National Power Grid Company Transelectrica S.A. on 25 June 2021, and as of 3 October 2024, he continues his mandate in this position for a period of four years.

Holding a degree in Legal Sciences and having extensive professional experience in the field of local and central public administration, Mr. Cătălin-Constantin Nadolu has held, since 2005 to the present, leadership positions in institutions he has successfully coordinated, establishing strategies and monitoring their implementation processes, while continuously analysing areas of fundamental importance for these institutions, such as operational and financial performance, marketing strategy and technological development.

Prior to his position as member of the BoD of the National Power Grid Company Transelectrica S.A., Mr. Cătălin-Constantin Nadolu held the position of General Director of the Company for Maintenance Services of the Electricity Transmission Network – SMART S.A., thereby further developing his managerial experience and competencies through the streamlining and optimisation of activities in areas of strategic importance within the energy sector, such as investments, technical operations and the maintenance of electricity transmission networks.

Mr. Cătălin-Constantin Nadolu graduated from the Faculty of Law of the "Alexandru Ioan Cuza" Police Academy and from the master's degree programme in European Administrative Studies at the Faculty of Public Administration of the National University of Political Studies and Public Administration, thereby strengthening his theoretical foundations in the fields of public administration and strategic management.

In addition, his participation in numerous professional development courses in areas such as public procurement, risk management and project

management reflects his commitment to continuous improvement and adaptation to the new requirements of a dynamic and competitive environment.

Victor MORARU, Member of the Board of Directors

Mr. Victor Moraru has held the position of member of the Board of Directors of the National Power Grid Company Transelectrica S.A. since 3 October 2024, with a four-year mandate.

With extensive experience in management, Mr Victor Moraru has over 30 years of activity in leadership positions, both in local and central public administration and in the private sector. Throughout his career, he has coordinated complex strategic projects with significant impact, demonstrating strong managerial competencies and an effective vision regarding organisational development processes.

For 16 years, during the period 2000–2016, Mr. Victor Moraru held the position of Mayor of the city of Amara, Ialomița County, from which he coordinated major local development projects, as well as social and community policies at the administrative level, financed both from own resources and European funds. Subsequently, during the period 2016–2020, Mr. Moraru managed the administration of Ialomița County at the highest level, holding the position of President of the County Council. From this position, Mr. Moraru coordinated and implemented major development projects in areas such as road infrastructure, healthcare, education, culture, environment and administrative capacity, accessing both European funding mechanisms and financing available through national local development programmes.

Through his extensive experience in public administration, Mr. Moraru contributed to the development and implementation of effective policies and projects financed from European funds, demonstrating through the results achieved an efficient management of the resources involved in achieving institutional objectives. At the same time, by holding relevant positions such as member of the Committee of the Regions of Europe (2015–2025), Vice-President of the Association of Towns of Romania (2012–2016), and President of the National Association of Spa and Balneoclimatic Resorts of Romania (2009–2017), as well as through his involvement in the supervision of representative institutions at both local and central levels, Mr. Moraru has consolidated his experience in leadership and strategy.

Through the positions held within the General Secretariat of the Government, Mr. Victor Moraru ,

managed the National Recovery and Resilience Plan (NRRP) components assigned to the General Secretariat of the Government, thereby administering 22 milestones under the NRRP. This experience provides Mr. Victor Moraru with an extensive understanding of the processes and mechanisms specific to the NRRP.

In addition, Mr Victor Moraru joined the management team of the National Power Grid Company Transelectrica S.A. with a thorough understanding of the administrative and corporate mechanisms specific to companies with share capital held by the Romanian State, acquired through his activity within the Agency for the Monitoring and Evaluation of Public Enterprises' Performance, where he served as Vice-President.

Mr. Victor Moraru graduated from Nicolae Titulescu University in Bucharest with a Bachelor's degree in Law and continued his studies in this field through a Master's programme in Business Law at the same university.

Vasile-Cosmin NICULA, Member of the Board of Directors

Mr. Vasile-Cosmin Nicula has held the position of member of the Board of Directors of the National Power Grid Company Transelectrica S.A. since 3 October 2024, with a four-year mandate. Starting with 8 November 2024, the Supervisory Board delegated to Mr. Nicula the responsibilities of CFO (Chief Financial Officer) of National Power Grid Company Transelectrica S.A..

Mr. Vasile-Cosmin Nicula joined the executive management team of National Power Grid Company Transelectrica S.A. with substantial professional expertise in the financial field and a thorough understanding of economic mechanisms. Previously, he held the position of Chief Financial Officer of the National Company for Road Investments, and during

the period 2014–2023, Mr. Vasile-Cosmin Nicula served as Vice-President of the Romanian Court of Accounts.

His experience covers multiple strategic areas, including executive management, public administration, budgetary and fiscal legislation, as well as international relations. Throughout his career, Mr. Nicula has held leadership positions in both the public and private sectors, demonstrating essential competencies in coordination and decision-making in complex and dynamic environments. His expertise in budgetary and fiscal legislation was further consolidated through a decade of parliamentary activity as Member of the Chamber of Deputies (2004–2008) and Senator (2008–2012, 2012–2014). During this period, he actively contributed to the drafting and implementation of key economic policies for national development, in his capacity as member of the Committee for Economic Policy, Reform and Privatisation, Industries and Services, and of the Committee for Budget, Finance and Banks of the Chamber of Deputies.

In addition, during the period 2012–2014, Mr. Nicula served as Chairman of the Committee for Budget, Finance, Banking Activity and Capital Market.

Mr. Vasile-Cosmin Nicula graduated from the Bucharest University of Economic Studies, obtaining a Bachelor's degree in the financial, accounting and administrative field from the Faculty of Finance, Insurance, Banking and Stock Exchanges. He also completed postgraduate specialisation studies in Public Organisations Management at the West University of Timișoara and obtained a PhD in Economics from the Bucharest University of Economic Studies.

Changes within the Transelectrica Board of Directors

At the time of writing this report, there are no changes within the Transelectrica Board of Directors.

At the date of this Report, Transelectrica is not aware of any agreements, understandings or family ties between members of the Board of Directors and other persons.

At the time of writing this report, Transelectrica is not aware of any litigation or administrative proceedings against the current members of the Board of Directors in connection with their activities within the Company or concerning the ability of the respective person to perform their duties within the Company.

No member of the Board of Directors held any shares in the Company's share capital as at 31 December 2025.

Statement of the Persons Responsible

To the best of our knowledge, the separate financial statements as at and for the 12-month period ended 31 December 2025 have been prepared in accordance with Order of the Minister of Public Finance No. 2844/2016, as subsequently amended and supplemented, approving the Accounting Regulations compliant with the International Financial Reporting Standards, and provide a true and fair view of the financial position and the profit and loss account of National Power Grid Company Transelectrica S.A.

The Annual Report of the Board of Directors includes a fair analysis of the Company's development and performance, as well as a description of the main risks and uncertainties specific to the activities carried out, being prepared in accordance with the sustainability reporting standards referred to in Article 29b of Directive 2013/34/EU and with the provisions adopted pursuant to Article 8(4) of Regulation (EU) 2020/852.

Board of Directors,

**Ștefăniță
MUNTEANU
Chairman**

**Cătălin-Constantin
NADOLU**

**Member of the
BoD**

**Cosmin-Vasile
NICULA**

**Member of the
BoD**

**Florin-Cristian
TĂTARU**

**Member of the
BoD**

Key Figures

FINANCIAL HIGHLIGHTS					
RON	5,573	mn	▼	-29%	Revenues
				y/y	
RON	710	mn	▼	-24%	EBITDA
				y/y	
RON	360	mn	▼	-39%	Net profit
				y/y	
TWh	51.73		▼	-0.2%	Charged energy volume*
				y/y	
RON	734	mn	▲	9%	Liquidity
				y/y	

OPERATIONAL					
2.07%	*	▼	-0.12	pp	OTC
			y/y		
49.46		▼	-2%		Net internal production
TWh			y/y		
3.72	▲	28%			Import sold**
TWh		y/y			
53.18		▼	-1%		Net internal consumption
TWh		y/y			
42.61		▼	-1.8%		Transported energy***
TWh		y/y			

INVESTMENTS					
RON	682	mn	▲	1%	Acquisition of tangible and intangible assets
				y/y	
RON	519	mn	▼	-20%	Fixed assets recorded in the accounts (commissioning)
				y/y	

* The weight of own technological consumption in the electricity taken from the electricity transmission grid (energy transported)

** stock of physical cross-border flows (export-import) cumulated over all borders

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

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

Note: For ease of reading and understanding of the results, some figures presented in graphs and/or tables use RON mil. as the unit of measurement and are rounded to this unit. This convention of presentation may, in some cases, lead to minor differences between the totalizing figures and the totals obtained by summing the component elements and the calculated percentages. Amounts are expressed in RON millions unless otherwise indicated.

Important events

Jan ▶ On 29 January 2025, the second circuit of the 400 kV double-circuit overhead transmission line (OHL) Reșița (RO) – Pančevo (RS), namely Circuit 1, entered commercial operation, marking an important step in strengthening the interconnection between the electricity transmission networks of Romania and Serbia

Feb



Mar

▶ Transelectrica inaugurated the completion of the refurbishment process of the 220/110/20 kV Baru Mare substation, an important project for the safe and stable operation of the electricity network in the region. With this investment, the Company finalised the modernisation process of all electrical transformation substations in Hunedoara County, thereby strengthening the energy infrastructure in the area.

Apr ▶ On 21 April 2025, the National Power System (NPS) successfully overcame the unprecedented technical challenges encountered during the first two days of the Easter holidays, when electricity consumption reached historically low levels, against the background of the coinciding Easter celebrations of Orthodox and Catholic Christians.

May

▶ The Company informed the investing public about the publication in the Official Gazette no. 500/28.05.2025 of ANRE Order no. 21/2025 approving the tariff for the procurement of system services applied by the Company, a tariff applicable starting 1 June 2025.

Jun

▶ On 13 June 2025, the Company marked 70 years since the first operational shift was ensured on 13 June 1955 within the National Energy Dispatcher (DEN)—the key structure that ensures, in real time, the secure operation of the National Power System and its coordination within the interconnected European network

Jul ▶ On 9 July 2025, the Company announced that, following external weather phenomena recorded in the western area of the country, manifested through severe storms (red code), sections of the 220 kV overhead transmission line (OHL) Reșița–Timișoara and the 400 kV OHL Roșiori–Gădălin were significantly affected. Intervention teams were mobilised immediately after the occurrence of the event and were involved in remedying the damages.

Aug

▶ On 27 August 2025, the Company informed the investing public about the publication in the Official Gazette of ANRE Order no. 60/2025 approving the tariff for the procurement of system services applied by the Company, a tariff applicable starting 1 September 2025.

Sep

▶ The Company designated the winners of the most important professional competition in the energy sector – the Energetician's Trophy, 2025 edition, an event hosted by the Constanța Electricity Transmission Territorial Branch (STT Constanța) during 8–12 September 2025.

Oct ▶ On 21 October, in Suceava, the first coordination meeting was held for the launch of two major investments aimed at developing the electricity transmission infrastructure, namely the 400 kV Overhead Transmission Line Gădălin–Suceava and the 400 kV interconnection Overhead Transmission Line Suceava (RO) – Bălți (MD), on the territory of Romania

Nov



Dec

▶ The Company informed investors and interested parties, through a Current Report issued on 2 December 2025, about the registration within the Company of a Notification from Allianz SE, stating that the concerted shareholding amounts to 5.0036% of the Company's share capital



Management Report



1. The business model

1.1. Positioning in the electricity market

Transelectrica was established as a Romanian legal entity by Government Decision no. 627/13 July 2000 on the reorganization of the National Electricity Company CONEL SA, published in the Official Gazette of Romania no. 357/31.07.2000. This decision was issued in accordance with GD no. 138/2000 on the restructuring program in the energy sector, whereby the activity of transmission and dispatching of electricity was completely separated from that of production, distribution and supply of electricity.

At the time of incorporation, the Company had a share capital of RON 495,982,200, fully paid up at the date of incorporation and divided into 49,598,220 registered shares with a value of RON 10.

In accordance with the Law on Electricity and Natural Gas No. 123/2012, as amended and supplemented, the activity of electricity transmission constitutes a public service of national interest. Electricity transmission is carried out by transmission and system operators, legal entities certified by the competent authority under the law. The Electricity Transmission Grid (ETG), existing on Romanian territory, is the public property of the Romanian State

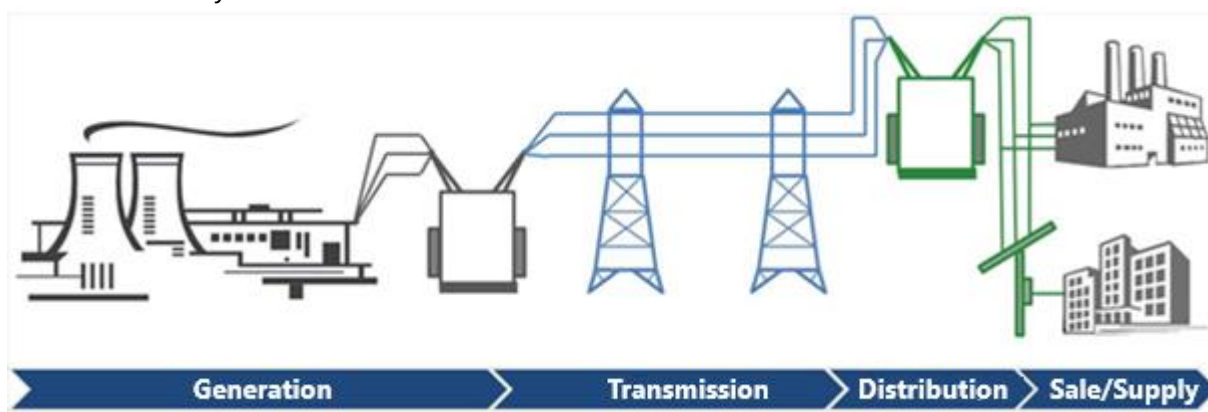
as regards the assets transferred to Transelectrica and constitute return goods, in accordance with the nature of the transfer and legal provisions.

In its capacity as transmission and system operator, Transelectrica operates on the basis of License no. 161/2000 for the provision of electricity transmission service, for the provision of system service and for the administration of the balancing market.

The concession of the ETG and the land on which it is located was granted for a period of 49 years by the concession contract no. 1/29.06.2004, concluded between the Ministry of Economy as the granting authority and NPG CO. Transelectrica SA, as the concessionaire.

In the value chain of electricity activities, Transelectrica occupies the central position of transmission and system operator, natural monopoly activities, located between producers and suppliers respectively, which are the main players in competitive electricity markets. The activity of electricity transmission is not the only natural monopoly in the electricity value chain, the activity of distribution as a network activity is also a natural monopoly.

Figure 2 : The electricity value chain



Transelectrica's mission is to ensure the public service of electricity transmission while maintaining the operational reliability of the national energy system, under non-discriminatory conditions of access for all users, to actively participate through the development of the transmission grid infrastructure in the sustainable development of the national energy system and to support and facilitate the operation and integration of energy markets.

Transelectrica's key role is that of transmission and system operator (TSO) to which are added the roles of balancing market administrator, operator of metering

and aggregation, operator of capacity allocation on interconnection lines.

The core activities are related to infrastructures of strategic importance for the electricity sector comprising multiple critical infrastructure elements. Thus, transmission services are supported by the electricity transmission grid and dispatching activities, including balancing, are supported by dispatching and metering infrastructure.

The regulation of Transelectrica's activities is carried out through primary legislation (the national framework being Law no.123/2012 with subsequent amendments

and additions, and the European framework being provided by EU Regulation 943/2019 of the European Parliament and of the Council of 5 June 2019 on the energy market) and secondary legislation issued by ANRE - in the form of licenses, authorizations for establishment, tariff methodologies (such as revenue cap on transmission and cost plus on system operation), tariffs, framework contracts, procedures and others.

The profitability of the business is given by the return on the regulated asset base which depends on the regulated rate of return and the regulated asset base ("ROR").

The business model corresponds to the standard profile of an TSO, a model designed as a unitary model at European level through the European energy strategy and legislation, applied in all EU countries and transposed as such into the national legal framework.

TSO companies are subject to a European certification process as transmission and system operators. The certification procedure can mainly be implemented according to three possible models: ownership *unbundling* (OU), *independent* system operator (ISO) or independent transmission operator (ITO).

Currently, on the basis of ANRE Order 164/07.12.2015, Transelectrica is finally certified as the transmission and system operator of the national power system and operates according to the ownership unbundling model.

Figure 3 : Electric Transmission Grid

The main activity of NPG CO. 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 license No. 161/2000 issued by ANRE, updated by ANRE Decision No. 1413/10.07.2024, the General Conditions associated with the license approved by ANRE Order No. 104/2014, as amended and supplemented, and the final certification of the Company as transmission and system operator of the National Electricity System according to the ownership unbundling model ("ownership unbundling") by ANRE Order No. 164/07.12.2015.

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

According to the conditions of certification as a transmission and system operator under the ownership unbundling model, the Company's shareholders representing at least 5% of the Company's share capital will exercise their rights arising from holding the Company's shares in compliance with the provisions of Law no. 123/2012 on the non-exercise of concurrent control or right, directly or indirectly, over an economic operator carrying out any of the production or supply activities.

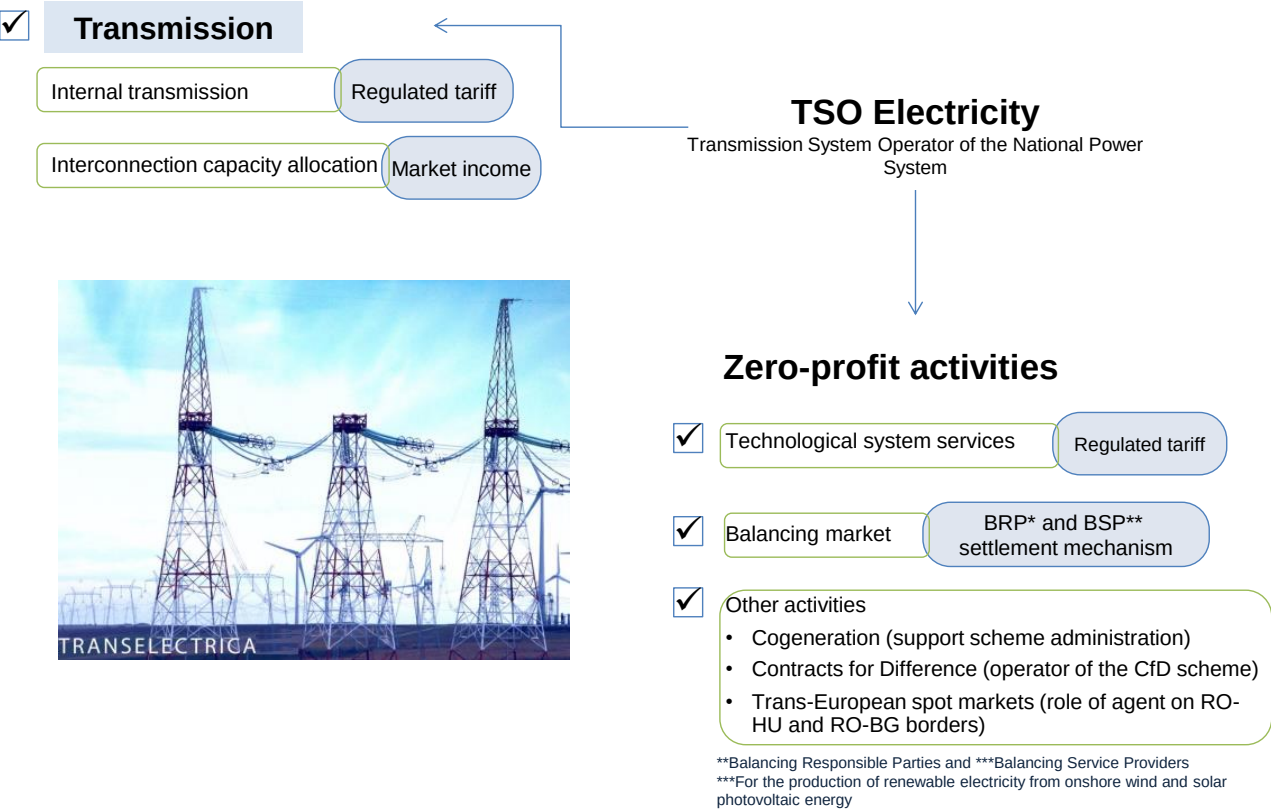


1.2.Portfolio of activities and pricing model

Transelectrica's portfolio includes for-profit activities allowed transmission services and not-for-profit activities (system service, balancing activity, support schemes, contracts for difference), all activities being subject to ANRE regulations.

Figure 4 : Portfolio of activities

Profit-allowed activities



In accordance with the Methodology for setting tariffs for the electricity transmission service, the costs necessary for the purchase of electricity related to the ETG's own technological consumption are taken into account in the calculation of the regulated transmission service revenue.

The the "zero profit" activities category are projected on a profit-neutral basis for the Company, in accordance with the applicable regulatory framework.

Revenues from system services are estimated through the related tariff in order to fully cover the costs associated with the activities. Similarly, the cash flows related to the administration of the support scheme for the promotion of high efficiency cogeneration are based on a contribution set by ANRE estimated in order to fully cover the costs related to the administration of the support scheme.

In the event of the reporting of non-neutral annual results, positive or negative, from the activity of technological system services, determined by differences between the forecast values included in

the calculation of tariffs and the actual values, the neutrality of this activity with respect to the company's profit is restored within a multiannual time horizon by incorporating appropriate adjustments in the tariffs.

The License Holder - Transelectrica is the sole provider of the public electricity transmission service for all users of the electricity transmission network, as well as of the system service for all users of the NES. The license was granted for a period of 25 years, valid until 23.12.2050. In order to maintain the validity, the licensee shall ensure compliance with the Specific Conditions and the General Conditions attached to the license. The specific conditions are set out in the latest update of ANRE Decision no.865/22.12.2000, respectively ANRE Decision no. 2505/02.12.2025, the content of which is also available online on the Company's website

(<https://www.transelectrica.ro/web/tel/licente-si-autorizatii>).

ANRE License Activities

TRANSMISSION



- Activity regulated by ANRE;
- The tariff is reviewed and updated annually;
- The tariff for the transmission activity is established on default settings for multiannual periods (usually 5 years) using a revenue cap incentive model;
- The revenue-cap model allows the recovery of operating costs, investment costs and the obtaining of a financial return intended to adequately remunerate the financiers, in correspondence with the general risk of the regulated activities carried out by Transelectrica;
- Certain cost components, included in the tariff calculation, are capped at levels predetermined by ANRE (according to operational efficiency requirements), the superior efficiencies obtained by Transelectrica being partially retained by the Company through an additional profit sharing mechanism with the transmission service users.

Regulated tariff
costs + regulated profit

SYSTEM OPERATION (system services)

Functional*



- Activity regulated by ANRE;
- NPS dispatching operations to maintain the level of operational safety of the system (maintaining the system in a stable production-consumption balance, maintaining systemic parameters within predetermined margins to ensure the safe and stable operation of NPS, operational programming of consumption coverage) using infrastructure of NPS's operational technical management represented by the EMS-SCADA system and the telecommunication, remote control, protection and control systems.

Technological



- Activity regulated by ANRE;
- Operations for planning and procuring the power reserves necessary for the permanent assurance of the production-consumption balance, for the NPS operational safety, from qualified energy units (production groups, consumers, storage facilities);
- The tariff related to the technological system services is established annually in advance by ANRE on the basis of a zero-profit model ("pass-through") designed for the full recovery of the costs necessary to procure system reserves with the possibility of retaining a part of any savings when purchasing power reserves in a competitive system.

Regulated tariff
costs

BALANCING MARKET (settlement)



- Market management activity that balances production and consumption in real time;
- Control energy procurement operations from balancing service providers - qualified energy units (production groups, consumers, storage facilities) and full recovery of balancing costs from the balancing responsible parties;
- Cost recovery is done on a zero-profit basis.

BRP and BSP*****
settlement mechanism
costs

* As of January 1, 2021, the operating system tariff - the functional services component, has been included in the transmission tariff
** Balancing Responsible Parties and ***Balancing Service Providers

Other activities

Other profit-allowed activities

Interconnection management

- Allocating available capacities for cross-border transfer of electricity on interconnection lines with the electricity systems of neighbouring countries;
- The allocation mechanism is based on an automatic default system based on price spread between markets (in case of market coupling) or an explicit competitive system based on the price offered by energy market participants for the available cross-border transmission capacity, applicable in situations where the demand for capacity exceeds the available level offered to the market.

Other zero-profit activities

Cogeneration

- Support scheme administration activity to promote high efficiency cogeneration. The aim of this support scheme is to promote high-efficiency cogeneration electricity generation systems with the advantage of low-emission energy production;
- The role of Transelectrica in the support scheme is to collect the contribution from the suppliers of electricity consumers and to pay the bonus to the qualified cogeneration producers of electricity and thermal power;
- Cost recovery is done on a zero-profit basis.

Contracts for Difference

- Operator of the CfD scheme, State Aid Scheme in the form of Contracts for Difference for the production of electricity from renewable sources of onshore wind and solar photovoltaic energy;
- The scheme establishes how state aid will be granted through contracts for difference (CfD contracts) and aims to conclude the CfD contract by December 31, 2025 for projects with a total capacity of 5.000 MW, which use eligible technologies for the production of solar photovoltaic and onshore wind energy.

Transfer agent - Romania-Hungary and Romania-Bulgaria relationship within the European electricity market

- Netting-settlement activity (role of transfer agent) on the European electricity market on the trading period one day before delivery (day-ahead) as well as on the domestic market. Transelectrica performs a financial clearing function on the border with Hungary and Bulgaria, playing an important role in the energy settlement chain on the trans-European spot markets.

2. Organisational Structure

TEL Shareholdings

Shareholding	Contribution	Date of Investment	Participation % as at 31.12.2025
SMART SA	38,528,600 RON	16 October 2001	100 %
TELETRANS SA	6,978,480 RON	4 December 2002	100 %
OPCOM SA	30,687,300 RON	15 August 2000	97.84 %
BRM	28,000 RON		0.35 %
TSC NET (legally owned by 16 TSO operators from 12 European countries)	2,207,160 RON	EGMS Resolution No. 9/05.06.2018	6.25 %
Joint Allocation Office SA JAO (JAO is legally owned by 26 TSO operators from 23 European countries)	1,231,923 RON	EGMS Resolution No. 10/20 August 2018 (membership became effective starting with 1 November 2019)	3.85 %
Geco Power Company Green Energy Corridor Power	3,750,000 RON	29 January 2025	25 %

Among the companies in which the Company has financial investments, the companies Smart and Teletrans are included in the Group's financial consolidation perimeter.

We would like to point out that Transelectrica also held the status of sole shareholder in ICEMENERG SA, ICEMENERG Service and FORMENERG, these companies being deregistered from ONRC at the date of this report.

Even though Transelectrica is the majority shareholder of Opcom SA, Opcom is subject to ANRE rules and has an independent position on the electricity market. Transelectrica does not exercise direct effective control over Opcom's decision-making mechanisms, whose administration is conducted according to the regulations established by ANRE and EU.

SMART



“SMART” S.A. – Commercial Company for Maintenance Services of the Electricity Transmission Network was established in 2001, by Government Decision No.

710/19.07.2001, through the reorganisation of certain activities within Transelectrica.

Main activity consists of carrying out maintenance inspections and repairs of primary equipment and apparatus within electricity networks, ensuring that ETN installations operate safely at the performance level required by the licence, as well as remedying incidents affecting electrical installations, providing services in the energy sector, energy services for the

power system, and micro-production of electrical equipment. The company has eight branches without legal personality..

The mission for which SMART S.A. was established is to ensure the preventive maintenance works, special works and corrective maintenance of the Electricity Transmission Network (ETN), based on Transelectrica's primary objective, namely to ensure the transmission of electricity within the national transmission network under conditions of safety and stability.

It is a company with nationwide coverage, strategic from the perspective of maintenance, repairs, technical expertise and consultancy provided for:

- Low, medium, high and extra-high voltage equipment and apparatus – up to and including 750 kV,
- Protection equipment and circuits, automation systems, metering, command and control,
- Transformers and autotransformers of all power ratings and voltage levels,
- Overhead and underground power lines at all voltage levels.

The subscribed and paid-up share capital as at 31 December 2025 amounts to RON 38,529 thousand, with Transelectrica as the sole shareholder. The results of SMART are consolidated with the Company's financial results on an on .

SMART shares are 100% owned by Transelectrica.

TELETRANS



TELETRANS SA was established by General Meeting of Shareholders Resolution No. 13/04.12.2002 of Transelectrica, pursuant to Law No. 31/1990 and the Orders of the Ministry of Industry and Trade No. 3098 and No. 3101 dated 23.10.2002. TELETRANS S.A. is the provider of specific telecommunications and information technology services for the operational and managerial control of Transelectrica, its main object of activity being the provision of specialised telecommunications services. At the same time, the Teletrans company has the possibility to commercialise such services on the liberalised communications market in Romania. Has a high level of expertise in fields characterised by a strong degree of specificity regarding the management of systems and processes within the energy industry.

Based on its Articles of Incorporation and the applicable legal provisions, Teletrans has held, since 2002, the ANCOM certificate as a provider of electronic communications networks or services (Government Emergency Ordinance No. 679/2002), which grants it the right to provide the following electronic communications services:

- Public electronic communications networks (starting with 11.11.2004);
- Electronic communications services intended for the public: (i) leased line services and (ii) electronic communications services other than telephony and leased lines (starting with 1 July 2003);
- Private electronic communications networks and services (starting with 15 January 2003).
- In addition, TELETRANS personnel hold certifications relevant to the operation and administration of IT&C systems dedicated to critical infrastructures.

TELETRANS operates an optical fibre network built using reliable OPGW technology, with access points in 110 locations, as well as cross-border connections with Hungary, Bulgaria and Serbia, and provides integration services within the EMS/SCADA system for renewable energy producers and for the new command-and-control systems implemented in refurbished substations.

The services provided by Teletrans consisted mainly of IT/telecommunications (IT/TC) services for Transelectrica, maintenance services for the local metering system at the level of the Company's electrical substations, and telecommunications services through the commercialisation of surplus capacities available in the optical fibre communications infrastructure.

The subscribed and paid-up share capital as at 31 December 2025 amounts to RON 6,978 thousand, with Transelectrica as the sole shareholder. The results of Teletrans are consolidated with the Company's financial results.

The shares of TELETRANS are held 100% by Transelectrica.

FORMENERG



FORMENERG S.A. was a company whose main object of activity consisted of initial and continuous professional training for personnel with responsibilities in the energy sector across all sectors of the national economy, as well as for other beneficiaries, in all fields of activity. In addition, the company carried out hotel services, rental services and event organisation services.

FORMENERG S.A. was established pursuant to Resolution No. 33/19.11.2001 of the General Meeting of Shareholders of "Transelectrica" S.A., through the externalisation of the activity of the Branch for Training and Professional Development of Personnel in the Energy Sector.

The shares of FORMENERG were held 100% by Transelectrica.

On 23 September 2025, the merger by absorption procedure was finalised between the Telecommunications and Information Technology Services Company for Electricity Transmission Networks – TELETRANS S.A., as the absorbing company, and "Formenerg" S.A., as the absorbed company.

In accordance with the applicable legislation, starting with 23 September 2025, the Teletrans assumed all rights and obligations previously undertaken by the Formenerg prior to the merger.

OPCOM

OPCOM SA was established pursuant to Government Decision No. 627/2000 regarding the reorganisation of the National Electricity Company S.A., as a company whose sole shareholder was Transelectrica.

According to the provisions of the primary and secondary legislation in force, the company Electricity and Natural Gas Market Operator "OPCOM" S.A. fulfils the role of organiser and administrator of the centralised markets for electricity (with the exception of the balancing market), natural gas and green certificates, as well as the role of single buyer on the electricity market during the period of application of the centralised electricity procurement mechanism. In this capacity, it provides an organised, viable and efficient framework for the conduct of commercial transactions, under conditions of consistency, fairness, objectivity, independence, impartiality, transparency and non-discrimination. The main activities carried out by OPCOM, in accordance with the provisions of the primary and secondary legislation in force, are:

- Performing the activity of organising and administering the centralised electricity markets;
- Performing the function of organiser and administrator of the green certificates market;
- Performing the function of Settlement Operator, by carrying out settlement operations for the Day-Ahead Market for electricity and natural gas, as well as for the Intraday Electricity Market;
- Performing the role of Nominated Electricity Market Operator (NEMO).;
- Performing the role of single buyer within the Centralised Electricity Procurement Mechanism, as well as establishing payment obligations/receivables for the transactions carried out;
- Performing the function of organiser and administrator of the green certificates market;
- Carrying out the activity of administering centralised markets in the natural gas sector;
- Monitoring the operation of the administered markets;
- Activities carried out in the capacity of Registered Reporting Mechanism (RRM);
- Collection and publication of statistical market data, in accordance with the provisions of the Energy Law.
- Active participation within the European energy market, whose objective is the creation of a single European market;
- Performing the role of CfD counterparty within the Contracts for Difference support scheme for low-carbon technologies.

The subscribed and paid-up share capital of OPCOM as at 31 December 2025 amounts to RON 31,366 thousand, with Transelectrica participating in the share capital as the majority shareholder at that date. The shareholding structure is as follows:

- National Power Grid Company Transelectrica S.A. – 97.84%

The Romanian State, through the General Secretariat of the Government – 2.16%

BRM (Romanian Commodities Exchange Ltd)

A closed joint-stock company which, through its object of activity, organisation and functioning, operates as a commodities exchange, as regulated by Law No. 375/2005 on commodity exchanges, and as an investment services company, in accordance with Law No. 126/2018 on markets in financial instruments.

Among the shareholders of BRM is also the Company, which holds 28 shares with a total value of RON 28,000, representing a participation share of 0.35%.

At the European level, the energy sector is undergoing a transformation process, with emphasis placed on the transition from a predominantly national model of development and evolution of the energy sector to a model of integrated and coordinated development at the European level, aimed at ensuring harmonised development across the continent, while also allowing adaptation to national specificities and safeguarding the legitimate interests of European states.

TSCNET (TSCNET Services GmbH)

It was established to serve the Transmission System Operators (TSOs) in the East–Central–Western Europe region (CORE region) in order to ensure the coordinated implementation of the European network codes.

Affiliation is achieved through participation in the shareholding structure of TSCNET by acquiring shares in the company.

By Resolution No. 9 of the Extraordinary General Meeting of Shareholders (EGMS) dated 5 June 2018, the Company's affiliation to the CORE Regional Security Coordination Centre, TSCNET, was approved through participation in the share capital with a contribution of EUR 470,500 (1 share – EUR 2,500).

JAO (Joint Allocation Office)

Starting in 2019, auctions for the allocation of long-term capacities have been carried out in a coordinated manner by JAO, which was designated as the Single Allocation Platform (SAP) Operator.

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

By Resolution No. 10 of the Extraordinary General Meeting of Shareholders (EGMS) dated 20 August 2018, the Company's affiliation to the shareholding of the Joint Allocation Office (JAO) was approved, through a cash subscription amounting to EUR 259,325, corresponding to 50 allocated shares.

GECO POWER COMPANY

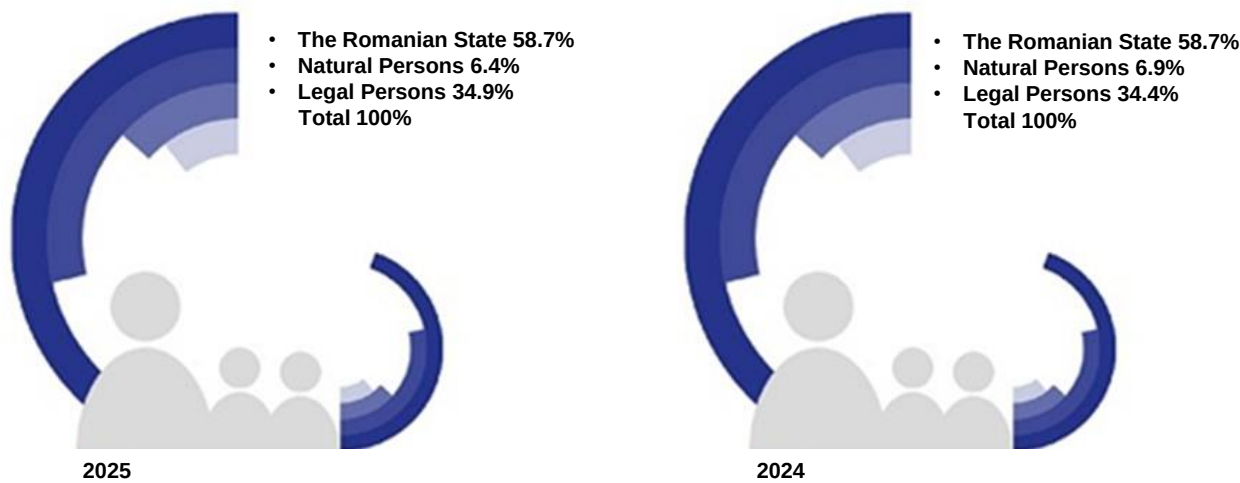
The General Meeting of Shareholders, convened on 12 August 2024, decided through EGMS Resolution No. 4 that the Company will participate in the share capital of a new company, together with the other relevant parties designated at the level of the Republic of Azerbaijan, Georgia and Hungary.

The Company, together with Azerenerji Open Joint Stock Company, JSC Georgian State Electrosystem and MVM Energy Private Limited Liability Company, established a limited liability company headquartered in Romania, organised and operating in accordance with Romanian law, with a total share capital of RON 15 million, divided into 1,500,000 shares with a nominal value of RON 10 each. The Company's contribution amounts to RON 3.75 million, corresponding to 375,000 shares with a nominal value of RON 10 each, representing a 25% participation in the share capital and in the distribution of profits/losses.

3. Transelectrica on the capital market

3.1. Shareholding Structure

Figure5: Evolution of the Shareholding Structure 2025–2024



The Company guarantees the shareholders' right to equal treatment and to correct and complete information regarding the Company's situation.

All issued shares grant equal rights to their holders, and any modification of the rights attached to the shares shall be subject to the approval of the directly affected holders, within their special meeting.

The main shareholder, holding 43,020,309 of the total shares, is the Romanian State represented by the General Secretariat of the Government, representing 58.688%. The remaining 30,282,833 shares represent freely tradable shares (free float).

As at 31 December 2025, the two significant minority shareholders are:

- Pavăl Holding Limited, which holds **6.484%** of the Company's share capital;
- NN Group N.V., which became a significant minority shareholder on 11 April 2019 and holds a **5.467%** stake.

Table 1: Free Float Shares

Free Float Shares	31.12.2025	%
Non-residents, of which:	902,376	2.98%
Individuals	78,283	0.26%
Legal entities	824,093	2.72%
Residents, of which	29,380,457	97.02%
Individuals	4,603,858	16.20%
Legal entities	24,776,599	81.82%
Total shares	30,282,833	100%

3.2. Share Price Evolution

The Company is included in the Premium category of the regulated market operated by the Bucharest Stock Exchange (BSE), its shares being traded under the symbol TEL.

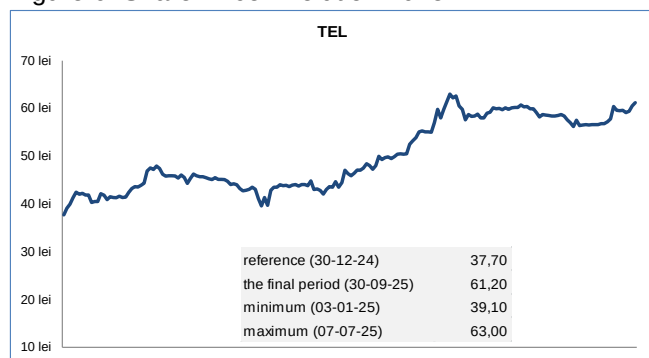
The Romanian capital market has been included, starting with 21 September 2020, in the Emerging Markets indices, according to the classification of the global index provider FTSE Russell. The effective promotion to Emerging Market status allows the capital market and the Romanian economy to attract new funds and sends a strong signal to both private and state-owned companies that they can achieve significant growth through the stock exchange.

Transelectrica marked 19 years on 29 August 2025 since its listing on the Bucharest Stock Exchange, within the programme “A Strong Market – Development of the Capital Market”, being the first company with majority state-owned capital to be listed.

The year 2025 began with a trading price of RON 37.70 per share, opening the trajectory towards the maximum price of the period, RON 79.90 per share, recorded on 13 November 2025, which generated for shareholders a maximum return of approximately 112% YTD.

The trading of TEL shares during 2025 on the Romanian capital market recorded 47,035 transactions, with an average of 191 transactions per day and 5,298,024 shares traded, with a total value of RON 297,247 thousand. The closing price for the period was RON 75.00, resulting in a market capitalisation of RON 5,498 million for TEL shares.

Figure 6: Share Price Evolution 2025



Transelectrica shares are included in the structure of the following stock market indices: BET | BET-TR | BET-TRN | BET-XT | BET-XT-TR | BET-XT-TRN | BETPlus | BET-NG | BET-EF | BET-BK.

BSE indices reflect the evolution of the prices of the most traded listed companies or the evolution of certain representative sectors, such as the financial sector or the energy sector.

In terms of calculation methodology, all BSE indices are price indices weighted by free-float market capitalisation, with maximum limits applied to the weights of the constituent companies. With the exception of the BET-TR, BET-TRN, BET-XT-TR and BET-XT-TRN indices, which are adjusted for dividends, the other indices reflect only the evolution of market prices.

Among these, the most representative for the Company are:

- BET Index (Bucharest Exchange Trading) – the benchmark index of the capital market, reflecting the evolution of the 20 most liquid companies listed on the BSE regulated market, excluding financial investment companies (SIFs).
- BET-NG Index (Bucharest Exchange Trading Energy & Related Utilities) – a sectoral index reflecting the evolution of companies in the energy and related utilities sector listed on the BSE regulated market.

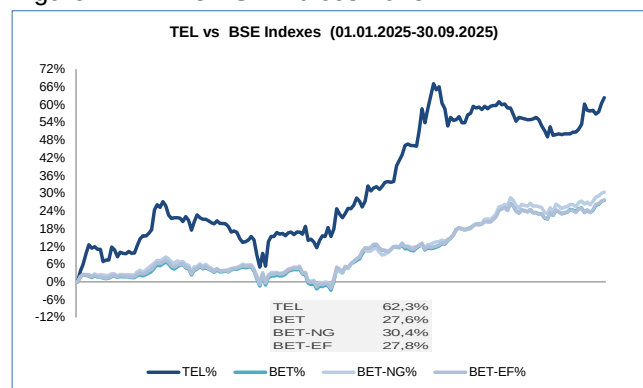
Table 2: Stock Exchange Data 2025 -2023

Indicator	2025	2024	2023
Number of shares	73,303,142	73,303,142	73,303,142
Market capitalisation (RON million)	5,498	2,764	2,206
Market capitalisation (EUR million)	1,078	556	444
Maximum price (RON/share)	79.90	48.60	30.6
Minimum price (RON/share)	39.10	28.20	21.0
Price at the beginning of the year (RON/share)	37.70	30.10	21.7
Price at the end of the year (RON/share)	75.00	37.70	30.1
Earnings per share (RON/share)	4.91	8.15	2.91

- BET-EF Index (Bucharest Exchange Trading Energy, Utilities and Financials Index) – a sectoral index reflecting the evolution of companies in the energy, utilities and financial sectors, excluding investment funds listed on the BSE regulated market.

The evolution of the TEL share in relation to the two indices is presented in the adjacent chart:

Figure 7: TEL vs BSE Indices 2025



According to the latest periodic adjustment recorded on 12 December 2025, TEL shares have a weight of 2.12% in the BET index, 3.60% in the BET-NG index and 2.68% in the BET-EF index.

The variation in the return of TEL shares compared to BET, BET-NG and BET-EF fluctuated during the analysed period and, on 4 November 2025, recorded a positive evolution, with an increase of 76 percentage points compared to BET, 69 percentage points compared to BET-NG and 75 percentage points compared to BET-EF.

The return on shares at the end of the analysed period recorded an increase of 53 percentage points above the BET return, 49 percentage points above the BET-NG return and 52 percentage points above the BET-EF return.

At the international level, TEL shares are included in the MSCI Frontier and MSCI Romania indices.

Indicator	2025	2024	2023
PER	15.28	4.63	10.33
P/BV	0.93	0.47	0.43
Dividend per share from current period results (RON)	-	3.81	-
Dividend per share from retained earnings (RON)	0.48	-	0.28
Dividend yield %	0.64	0.74	0.93
Free float %	41.31	41.31	41.31

* Proposal for GMS Approval

3.3. Dividend per share

The Company's dividend policy complies with the provisions of Government Ordinance no. 64/2001 regarding profit distribution within national companies, national enterprises and commercial companies with wholly or majority state-owned capital, as well as within autonomous administrations, as subsequently amended and supplemented, as well as with the targets established by the Agency for Monitoring and Evaluating the Performance of Public Enterprises (AMEPIP).

Accordingly, the target dividend value represents 50% of the accounting profit remaining after the deduction of corporate income tax and the allocation of amounts to the destinations provided for under Government Ordinance no. 64/2001.

Thus, following the closing of the financial statements as of December 31, 2025, the accounting profit remaining after the deduction of corporate income tax is 360 million RON and, after the distribution carried out in accordance with the provisions of Government Ordinance (OG) no. 64/2001, the dividend due to shareholders from the remaining distributable profit for the financial year ended December 31, 2023, is 0.0 RON.

The value of dividends due to shareholders from the remaining distributable profit of 2024, paid by the company during 2025 in accordance with the provisions of Memorandum no. 658189/17.03.2025 issued by the Ministry of Finance (MF), was 279.2 million RON.

3.4. Rating

On March 18, 2025, Moody's Ratings changed Transelectrica's outlook from 'stable' to 'negative', while maintaining the long-term rating at Baa3 and the BCA (Baseline Credit Assessment) at ba1. This change directly reflects the revision of Romania's sovereign rating outlook by Moody's on March 14, 2025.

In the assessment, the Company's rating is aligned with the sovereign rating (Baa3 negative), acknowledging the Company's improved financial performance and solid operational results.

The outlook change from stable to negative reflects the existing links between Transelectrica and its majority shareholder, the Government of Romania, which holds 58.7% of the company, as well as the company's exposure to pressures associated with a deterioration in sovereign credit quality. In particular, it reflects the fact that any downgrade of the Romanian Government's rating would eliminate the current 'one notch uplift' of Transelectrica's final Baa3 rating.

In a broader sense, Transelectrica's BCA continues to be supported by: (i) a low operational risk profile, given its natural monopoly position as the owner and

operator of Romania's fully regulated electricity transmission network;

(ii) a consolidated track record of a regulatory framework that is generally credit-friendly, currently in its fifth regulatory cycle, which spans the period 2025–2029;

(iii) solid financial indicators, with available cash levels consistently exceeding outstanding debt, implying a significant margin of safety regarding compliance with financial covenants.

By monitoring the elements analyzed by the rating agency, such as liquidity, revenues, debt structure, covenants, and working capital, the Company is not in financial distress; however, the change in outlook as a result of the sovereign rating may influence financing costs and investor interest.

As of December 31, 2025, Transelectrica's credit rating remained unchanged from the March review; Moody's Agency maintained the 'negative' outlook (established on March 18, 2025), reflecting Romania's sovereign rating, while the long-term rating remained at the Baa3 level.

Table 3: Transelectrica Rating

Rating Agency	2025	2024	2023
Moody's Investors Service	Baa3 negative	Baa3 stable	Baa3 stable

3.5. Investors and Stakeholder

In the context of implementing corporate governance rules and best practices, Transelectrica is engaged in active communication with shareholders and investors, using several communication channels and dedicated interfaces for this purpose. The Company acknowledges the important responsibility arising from its status as a publicly traded company.

The diversity of the shareholding structure and the Company's inclusion in the main indices published by the Bucharest Stock Exchange (BSE) increase the requirements regarding transparency, relevance of information, and the prompt dissemination thereof, as well as the maintenance of a continuous dialogue with the investment community.

The relationship with shareholders is essential for Transelectrica's management. The Company maintains continuous communication with shareholders and potential investors, on the one hand through the dissemination of current and periodic reports containing information of interest and financial data, in accordance with the legislation applicable to the capital market, and on the other hand through General Meetings of Shareholders, as well as through written electronic correspondence and telephone communication via dedicated contact channels.

Thus, shareholders and investors have access to information relevant for investment decisions by accessing the dedicated section of Transelectrica's website, namely the Investor Relations section (General Meetings of Shareholders together with the materials related to the items on the agenda, financial statements, corporate governance information, current reports and periodic presentations, dividend information, etc.).

The Company guarantees shareholders the right to equitable treatment and to accurate and complete information regarding the Company's situation. All issued shares grant their holders equal rights, and any modification of the rights attached to the shares will be subject to the approval of the directly affected holders, within their special meeting.

The context of the new corporate governance regulations imposed on listed companies, together with corporate governance best practices, enables Transelectrica to identify ways to progressively expand the application of its reporting and disclosure

framework, while continuously improving its corporate governance principles and standards. Transelectrica recognises that its performance in the field of corporate governance can influence its reputation. Active communication with shareholders through the provision of impartial and accurate information represents a key factor for the Company's credibility. A high level of transparency also contributes to shaping the organisational culture by encouraging the improvement of relationships with employees, investors and civil society.

For a more efficient management of time and financial resources, the Company maintains contact with shareholders, investors, financial analysts and the specialised press by increasingly using teleconferences and videoconferences, instead of travel, for the presentation of quarterly, semi-annual and annual financial results, organised periodically by the Company. Meetings for the presentation of financial results are scheduled annually and communicated through the Annual Financial Communication Calendar, approved and disseminated at the beginning of each year through the capital market institutions.

In addition, one-to-one meetings are arranged upon the request of investors or their brokers and/or the presence of TEL representatives is ensured through the Company's participation in events dedicated to individual or institutional investors, organised by the Bucharest Stock Exchange (BSE) or by financial investment services firms.

During 2025, the following important meetings took place:

Organised Event	Date
Presentation of the financial results for 2024	March 27 2025
Annual OGMS meeting for the presentation and approval of the results as of 31 December 2024	June 11 2025
Presentation of the financial results for Q1 2025	May 14 2025
Presentation of the financial results for H1 2025	August 14 2025
Presentation of the financial results for Q3 2025	November 14 2025

Transelectrica's share is monitored by the research departments of the main financial investment services

companies active on the regulated market administered by the Bucharest Stock Exchange (BSE).

The Company maintains ongoing contact with analysts from the companies that include Transelectrica in their research coverage portfolios.

In practice, shareholders—either directly or through representatives—have chosen to exercise their voting rights in the General Meetings of Shareholders primarily by using mail voting ballots, as an alternative to physical participation at the Company's headquarters. In this way, they accessed indirect communication channels, either by post or courier services (to the address: 2–4 Olteni Street, Sector 3, Bucharest, "PLATINUM Centre" building) or by electronic means of communication, through the designated GMS secretary.

It is well known that the shareholders of National Power Grid Company Transelectrica S.A. benefit from equal treatment and obtain relevant information in a non-discriminatory and timely manner regarding important events in the Company's activity.

The Company's website, www.transelectrica.ro, ensures transparency by providing access to information of interest to shareholders and the investing public, including relevant information that may influence investment decisions.

At the same time, the Romanian Investor Relations Association (ARIR) annually evaluates the level of transparency. In 2025, the VEKTOR by ARIR indicator was calculated based on a methodology that includes 10 criteria. Following the monitoring of the TEL website, ARIR representatives awarded the Company a score of 7 out of 10 for 2025. The results are available on each issuer's page on the Bucharest Stock Exchange (BSE) website and on the association's website.

In 2025, Transelectrica continued to strengthen its strategic role within the National Power System (NPS), in a context marked by the acceleration of investments and developments generated by the energy transition process. The Company's communication activity primarily aimed to support accurate, coherent and transparent information regarding major projects for the modernisation of energy infrastructure, as well as their impact on the security and operation of the NPS.

Throughout the year, communication efforts focused on presenting the implementation stages of the strategic projects included in the ETN Development Plan for the period 2024–2033, highlighting their

contribution to increasing transmission capacity and to strengthening interconnections with the power systems of neighbouring countries.

A central element of the 2025 communication strategy was the dissemination of institutional messages from the Company's management, with emphasis on the importance of investments in ensuring the country's energy security.

Major investment projects currently under implementation benefited from dedicated communication approaches aimed at supporting transparency and public understanding of the investment initiatives.

The communication activity also included the implementation of a campaign dedicated to the 25th anniversary of the Company's activity, under the message "Transelectrica: 25 people and deeds, 25 years of energy in motion for Romania."

The main objective of the campaign was to highlight the essential role of the Company's specialists in ensuring the safe operation of the National Power System (NPS).

Through this initiative, 35 video materials were produced and published on the Company's Facebook page, highlighting the professional experience, competencies and dedication of specialists from various structures of the Company.

The campaign contributed to strengthening the institutional identity, increasing the visibility of Transelectrica's activities, and promoting professional values.

For 2026, Transelectrica intends to further consolidate the communication directions developed so far through an even more structured approach oriented toward anticipating the public's information needs.

The priorities include continuing proactive communication regarding the progress of strategic investments aimed at the continuous improvement of the public service provided, deepening the dialogue with stakeholders, and leveraging digital tools to ensure a more dynamic and accessible presentation of the Company's activities.

4. Risk management

4.1. Risk Management Policy

Within the Company, an Integrated Risk Management System has been implemented, as required by the strategic requirements regarding the safety and operational continuity of the National Power System (NPS), representing a fundamental condition for sound internal managerial control. The Company adopts a proactive approach to risk management, the Board of Directors thereby ensuring, to a reasonable extent, that the objectives will be achieved through the management of potential threats. In this regard, the focus is placed on identifying and addressing potential losses before events that could have a negative impact occur, through the prior preparation of specific technical, operational, and financial solutions aimed at mitigating or counteracting such potential losses.

The Company's risk management complies with the applicable legal and regulatory requirements to maintain risk control capabilities appropriate to the Company's risk profile, for the identification, assessment, management, monitoring, communication, consultation, and reporting of risks:

- Order of the General Secretariat of the Government No. 600/2018 approving the Internal Managerial Control framework for public entities;
- the requirements of the Regulator and other requirements arising from the Company's status as a company listed on the Bucharest Stock Exchange or imposed by rating agencies or auditors.

At the Company level, risks that could have a substantial impact on the achievement/fulfilment of the Company's objectives are managed in accordance with the operational procedures specific to the relevant activities and in compliance with the system procedure on Risk Management.

In 2025, the Significant Risk Register at Company level – 2025 was prepared and approved by the Company's Board of Directors, with the purpose of minimizing the effects of the significant risks to which the Company is exposed.

The Risk Register was prepared in accordance with the requirements of Standard 8 – Risk Management, as set out in Order of the General Secretariat of the Government (OSGG) No. 600/2018.

Furthermore, the Plan for the Implementation of Control Measures for Significant Risks for the year 2025 was prepared and approved by the Board of Directors.

The actions undertaken to keep risks under control, primarily during 2025, have reduced both the likelihood of occurrence and the impact of the risks, as compared to the level of inherent risks.

Materialized risks were addressed in accordance with the adopted strategy, as required by the circumstances that led to the occurrence of the risk. The establishment of the risk management strategy entails:

- risk acceptance
- risk monitoring
- risk treatment in order to eliminate it or reduce it to an acceptable level through appropriate measures
- risk transfer through insurance, outsourcing of activities, and other contracts with third parties (insurance contracts at Company level – voluntary health insurance services, property/building insurance services, professional civil liability insurance services, etc.).

For risks with minor impact, no specific monitoring, treatment, or transfer measures were implemented, as the consequences of their materialization were addressed through routine maintenance and remediation processes.

Each organizational entity (Board of Directors, department, territorial transmission branch) carried out the identification of the most appropriate and feasible risk treatment/monitoring actions, in accordance with its risk management responsibilities, with the objective of achieving the lowest possible levels of risk exposure within the given internal and external context.

Risk transfer measures were also implemented, a relevant example being the conclusion of insurance contracts at Company level.

Risk response strategies consisted predominantly of:

- the treatment of significant risks in order to reduce them to an acceptable level; and
- the monitoring of significant risks (medium and high).

Risk control strategies are identified/described in the Company's Risk Register for significant risks (high and medium). Among the implementation/internal control instruments used, the following may be mentioned:

- measures implemented within procurement, maintenance, investment, and staff professional training programs;

- dedicated measures regarding the identification, monitoring, treatment, or transfer of risks;
- insurance contracts concluded and performed at Company level;
- contractual provisions (relating to performance guarantees – GBE, penalties);
- the development or revision of procedures;
- modification of process and organizational structure;
- performance indicators attached to the relevant objective;
- staff reallocation;
- establishment or updating of databases..

4.2. Transelectrica's Risk Management Objectives

The Company's Board of Directors seeks to ensure the continuity of its strategic functions as System Operator and electricity Transmission Operator within Romania's National Power System (NPS), even under the most adverse circumstances.

Both directly and through implementation at the level of the territorial transmission branches and subsidiaries, as well as through the incorporation of applicable requirements into service agreements with specialized providers, the Company's policy aims to ensure operation in compliance with the quality, security, and efficiency standards set out in the ETG Technical Code and any other applicable specific regulations, with particular emphasis on compliance with employee health and safety requirements, as well as on ensuring the protection and preservation of property and the environment.

The Company's management has established the following strategic objectives with regard to risk management:

- understanding the risks to which the Company is exposed, their causes, potential deviations from the budget and the associated costs thereof, as well as their impact on the general and specific objectives;
- maintaining a safe working environment for employees;
- operating equipment and installations under safe conditions, without hazards to third parties and without adverse impact on the environment;

- implementing optimal risk control measures. The main objectives established include:
- improving the Company's risk profile through the management of the overall process of risk identification, assessment and monitoring, as well as the implementation of the necessary controls;
- eliminating or minimizing conditions and practices that may lead to failure to achieve performance indicators, or to the interruption or limitation of the Company's activity;
- reducing the total cost of risk in order to contribute to securing the financial resources required for operating expenses, debt servicing, and the implementation of investments.

The Company's activities are sensitive to general economic conditions, which may influence the volume of electricity transmitted and, consequently, revenues and operating results. In addition, the demand for electricity and its price depend on a variety of factors beyond Transelectrica's control, namely:

- global and regional economic and political developments;
- demand from industrial consumers;
- climatic conditions;
- tariffs regulated by ANRE for transmission and system services;
- existing laws and regulations.

4.3. Main Identified Risks

- g maintenance activities, for which action plans must be developed regarding their monitoring, treatment, or transfer (together with the related financial proposals specifically allocated to such activities).
- summary reports on the implementation of the annual investment, procurement, and maintenance programs shall also be submitted, for information, to the Chair of the Company-level Risk Management Team, for the purpose of monitoring the manner in which risks are kept under control.
- identifying interdependencies – which other organizational entities may generate risks in the activity of a given organizational entity; and which other organizational entities may be affected in the event of the materialization of risks within the activity of an organizational entity (OE).
- aligning the operational procedure with the other internal regulations and ensuring the use of uniform terminology, so that the current working practices are consistent with the applicable legislation in force.

Furthermore, the development, updating, implementation, maintenance, auditing, and continuous improvement of the Integrated Risk Management System, across all organizational entities of the Company through the Risk Management function, facilitate the efficient and effective achievement of Transelectrica's objectives, thereby contributing to the enhancement of the Company's value.

In order to improve risk management within the transmission networks, it is necessary to implement predictive maintenance policies based on more accurate estimates of asset service life.

For the scheduling and planning of works/services, taking into account the established priorities, including those determined through qualitative risk analyses, development programs (medium- and long-term) as well as short-term programs are prepared, with due consideration to compliance with the allocated resources.

From a technical perspective, considering the uncertainties regarding the evolution of the system and the economic framework, robust and flexible solutions are sought that are capable of addressing multiple possible scenarios, thereby mitigating risks.

From a technical standpoint, taking into account the uncertainties regarding the evolution of the system and the economic environment, robust and flexible solutions are pursued that can accommodate multiple possible scenarios, thereby reducing associated risks.

The risk-based approach to technical condition supports the prioritization and optimization of capital investment portfolios.

During the process of updating the Risk Register, it was noted that the level of risk exposure remained consistent with that of the previous year, with residual risks generally maintained at the same level as in the prior assessment. The risks identified in previous years are being kept under appropriate control.

Main Risks and Uncertainties 2025

The main financial risks that the Company may encounter in the course of its operations are summarized below:

➤ Technical and Operational Risks

Technical and operational risks, arising either from the technical nature of the equipment or from non-compliance with internal procedures and systems, can adversely affect Transelectrica's activity, posing an obstacle to achieving its proposed objectives and influencing the company's financial position.

The materialization of technical risks or risks arising from non-compliance with existing procedures or systems, generated by employee conduct or external events, could adversely affect the Company's operations, constituting an obstacle to the achievement of the proposed results and, at the same time, impacting the Company's financial position:

- Loss of National Power System (NPS) stability
- Failures of facilities and equipment; Damage to / unavailability of facilities and equipment
- Damage / failure / unavailability of:
 - 220 kV and 400 kV OHL (Overhead Lines)
 - Primary switchgear in substations
 - Transformers and/or shunt reactors
 - Protection and automation systems
 - Control and monitoring systems (CMS)
 - AC and DC auxiliary service installations
 - Fire prevention and firefighting systems
 - Communication / telecommunication systems
- Malfunctions of systems and platforms used in operational management, communications, and telecommunications
- Incomplete execution of the Grid Maintenance Program
- Under-performance of the annual investment program (quantitatively and qualitatively)
- Non-compliance with legal conditions / requirements

During the period under review, it was noted that the level of risk exposure remained similar to that of the previous year. Severe weather events had a significant impact on the infrastructure: on 7 July 2025, at the Cluj Napoca transformer substation, a pole of the 400 kV Overhead Power Line (OHL) Gădălin–Roșiori – was brought down due to extreme weather phenomena; and on 8 July 2025, at the Timișoara transformer substation, 13 poles of the 220 kV OHL Reșița–Timișoara – collapsed, causing significant outages.

The consequences of these events include interruptions in electricity supply, significant remediation costs, penalties and compensation payments, as well as an increase in operating expenses for the maintenance of the affected infrastructure. In the medium and long term, an increase in costs related to repairs, preventive maintenance, and potential revenue losses caused by periods of interruption in electricity transmission and a reduction in compensation for technological losses (OTC) is expected.

In addition, on 23 September 2025, Transelectrica completed the merger by absorption of its subsidiaries TELETRANS and Formenerg, an important step that brings the potential for operational efficiency gains, resource consolidation, and cost reduction, but which also entails integration costs, accounting adjustments, and potential challenges related to the alignment of processes and infrastructure.

Accordingly, the Company remains vigilant and committed to the proactive management of technical and operational risks, in order to support service continuity and long-term financial stability.

➤ **Financial Risks**

From a financial risk management perspective, the risks to which the Company is exposed, having the most significant impact on its financial results, arise from financial instruments, namely: interest rate risk, foreign exchange risk, credit risk, and liquidity risk. Other risks that may affect the Company's performance include: risks related to provisions in financing agreements, the risk of credit rating deterioration, and price risk resulting from the unpredictability of the energy market (which may lead to significant increases in costs associated with technological losses – OTC).

The main risks that the Company may encounter in the course of its operations are summarized below:

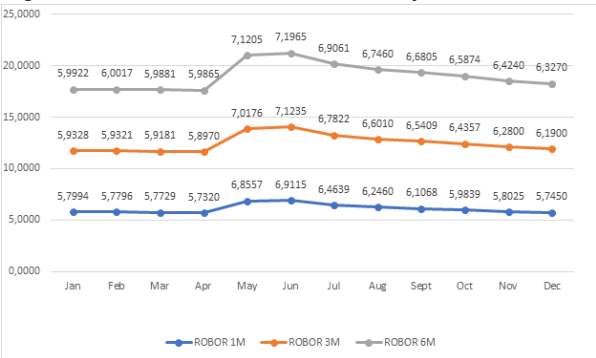
Interest Rate Risk

To limit the impact of interest rate fluctuations on the company's liquidity, Transelectrica has contracted long-term loans with fixed interest rates, while short-term loans benefit from the most advantageous negotiated rates, which are predominantly variable.

Throughout 2025, interest rates on the national money market recorded a downward trend, with the 1M ROBOR reaching a maximum value of 6.91% (June 2025) and a minimum of 5.74% in December 2025.

The company's exposure to interest rate volatility risk is primarily manifested through its short-term credit line, which carries a variable interest rate

Figure 8: ROBOR 1M, 3M, 6M January-December 2025



The long-term loans, contracted in euros, carry a fixed interest rate, thereby reducing the risk to long-term financial costs.

The company continuously monitors relevant macroeconomic indicators, and the interest rate volatility risk did not materialize during the period under review.

Foreign Exchange Risk

Foreign exchange risk represents the probability of incurring financial losses arising from international commercial contracts or other economic relationships (depreciation of RON against foreign currencies), as a result of changes in the exchange rate during the period between the conclusion of the contract and its maturity.

One method of mitigating such effects consists in including, where possible, price adjustment clauses in contracts based on exchange rate fluctuations. The application of various extra-contractual measures may also protect the Company against the occurrence of adverse effects.

In order to limit the impact of exchange rate fluctuations, the Company negotiates, through its specialized department, advantageous foreign exchange rates and continuously monitors macroeconomic indicators. For the fulfillment of its foreign currency obligations, the Company maintains foreign currency accounts with commercial banks within the Romanian banking system and applies prudent liquidity policies to ensure the availability of funds required for external payments.

The level of income and expenses arising from realized foreign exchange differences in 2025 was predominantly influenced by the volume of transactions related to the market coupling activity segment, correlated with the evolution of the national currency exchange rate against the euro. This dynamic generated both increases in income, primarily due to performance in the capacity allocation market and the interconnection segment, as well as increases in expenses related to foreign exchange differences.

Furthermore, the foreign exchange risk for 2025 was driven by a combination of internal and external factors, including fiscal policies, the domestic political situation, and trends in the global financial markets.

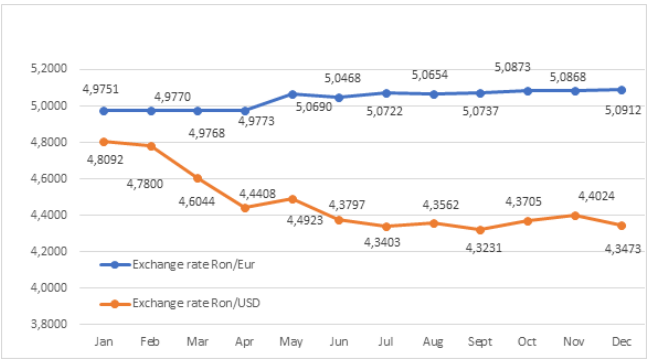
Although the National Bank of Romania (NBR) ensured the maintenance of a stable exchange rate, the Romanian leu experienced depreciation pressures against the euro, driven by the high current account deficit and the increased demand for foreign currency.

Throughout 2025, the average EUR/RON exchange rate stood at 5.0415 RON. This evolution generated a slight increase in expenses for foreign currency-denominated payments, particularly those in EUR.

In 2025, reports indicate foreign exchange differences that influenced expenses, but without significant effects reported as major losses.

Constant monitoring of relevant factors and prudent management allow the company to minimize the adverse effects of fluctuations and to leverage opportunities arising from interconnection activities.

Figure 9: Exchange Rate Evolution 2025



Liquidity Risk

Liquidity risk is managed by maintaining an optimal balance between available resources and payment obligations at maturity. For the end of 2025, the company's approach was adaptive, aligned with the dynamics of the energy market and macroeconomic indicators.

While the use of credit lines was not necessary during the first three quarters, as of December 31, 2025, Transelectrica chose to draw 99% of its 175 million RON credit line, which expires in March 2026 and was contracted to finance current activities. This was done to ensure optimal payment fluidity and support current operations at year-end, driven by the delays in VAT recovery from the Romanian state (exceeding 120 days).

Liquidity was affected both by planned capital outflows, represented by the payment of dividends amounting to approximately 280 million RON, and by cost-related pressures, in the context of an average annual inflation of approximately 7.3% in 2025 (up from 5.6% in 2024), according to official data published by the National Institute of Statistics (INS).

The Company pays increased attention to the efficient management of the treasury by effectively managing cash flows and optimizing the liquidity surplus to honor financial obligations as they reach maturity, as well as maintaining the availability, if necessary, to resort to financing through appropriate credit facilities.

Throughout 2025, the Company maintained an adequate level of liquidity. Operational cash flows were positive, ensuring the Company's ability to meet its short-term obligations.

This integrated and proactive approach to liquidity risk management ensures financial stability and Transelectrica's ability to honor its obligations amidst a volatile economic environment and a changing regulatory framework.

Credit Risk

Credit risk represents the possibility of a financial loss resulting from the total or partial failure of a contractual partner to fulfill its assumed obligations, particularly regarding trade receivables.

This risk can directly affect a company's liquidity and financial stability by increasing provisions and creating difficulties in recovering outstanding amounts.

Credit risk management involves implementing effective policies and procedures in the invoicing and collection process, rigorous monitoring of payment deadlines, assessing the financial soundness of customers, and applying preventive measures to reduce exposure to uncollectible receivables. Furthermore, it is important to continuously adapt these policies to account for economic conditions and debtor behavior.

During the period under review, the process of invoicing and collecting receivables from Transelectrica's customers was carried out efficiently, with the majority of payment deadlines being met, and collection delays were minor, without significantly affecting the company's liquidity

This reflects adequate credit risk management, which contributes to maintaining a healthy financial balance.

Therefore, credit risk is an essential component of financial management and involves proactive measures for identifying, assessing, and controlling potential financial losses arising from the non-collection of trade receivables.

Risk Related to Provisions in Financing Agreements

The Company has entered into financing agreements with international financial institutions (IFIs) and commercial banks for the financing of investment projects and for supporting certain operational activities, as part of its scope of business. The financing agreements contain covenants regarding compliance with certain financial indicators, and a breach of such covenants may, subject to prior notice

and a reasonable cure period, trigger the early repayment of the financing facilities.

Furthermore, certain financing facilities include penalty clauses in the event of early repayment.

In 2025, the Company complied with the covenants stipulated in the existing financing agreements, maintaining a very low level of leverage and ensuring compliance with the agreed terms and conditions.

During the period under review, no notifications were received regarding any breach of these clauses, reflecting the prudent and efficient management of the Company's contractual and financial obligations.

To date, no sanctions or warnings have been recorded from the financiers in connection with any failure to comply with contractual provisions.

Table 4: Structure of Long-Term Debt *

mil. RON	
31 December 2025 (RON million equivalent)	8
31 December 2024 (RON million equivalent)	32
31 December 2023 (RON million equivalent)	56

* Including the current portion of long-term loans

Counterparty Risk

It represents the risk that, in a financial transaction, the other party may fail to fulfill its contractual obligations.

To manage this risk, Transelectrica employs a series of professional measures, such as the rigorous assessment of counterparties' creditworthiness through credit ratings and financial analyses, as well as the requirement of adequate guarantees.

This process aids in the permanent monitoring, active management, and efficient treatment of the risk of non-performance of obligations. At the end of 2025, Transelectrica continued to closely monitor this risk

The Company maintains a credit line for financing the high-efficiency cogeneration bonus-type support scheme, with a variable interest rate linked to the 1M ROBOR benchmark, thus facilitating optimal financial management of this segment.

During the period under review, no other significant exposures to counterparty risk were identified, reflecting the high quality of the commercial partners with whom Transelectrica collaborates, as well as the efficiency of the internal measures implemented to prevent this risk.

Rigorous management of counterparty risk is essential for the Company's financial stability, contributing to maintaining a healthy balance between contractual obligations and the company's financial flows, within

the context of an increasingly dynamic energy market and its associated volatility.

Legal Risks

It represents Transelectrica's exposure to the adverse effects generated by legislative and regulatory changes or government policies.

In 2025, the implementation of major fiscal measures, such as the VAT increase to 21% and the introduction of the 'special construction tax' (commonly known as the 'pole tax') for infrastructure, required complex adjustments to financial flows.

Furthermore, the application of ANRE Order no. 60/2025, which increased the system service tariff from 7.04 RON/MWh to 12.79 RON/MWh (approximately 82%), reconfigured the revenue structure starting from September.

These changes, superimposed on an inflation rate of 7.3% at the end of 2025, according to official data provided by the National Institute of Statistics (INS), may put pressure on the sustainability of investments if they are not promptly reflected in tariffs.

However, through continuous monitoring and preventive management, Transelectrica ensured full compliance as of December 31, 2025, with no cases of non-compliance and all tax obligations paid on time.

The Company remains focused on maintaining a constructive dialogue with the authorities to ensure a predictable regulatory framework, which is essential for operational stability in a volatile legislative environment

Risks regarding non-compliance with legal requirements

The risk of non-compliance with legal requirements for Transelectrica refers to the possibility of failing to adhere to certain obligations imposed by national and European legislation applicable to the company's activities.

Failure to comply with these provisions can lead to significant consequences, including financial sanctions, penalties, or other coercive measures, which may adversely affect Transelectrica's liquidity and operations.

The company's liquidity may be impacted by penalties resulting from non-compliance identified during periodic audits conducted by competent authorities, such as the National Agency for Fiscal Administration (ANAF), the Court of Accounts (CCR), the Ministry of Finance (MF), and other supervisory bodies

In this context, Transelectrica pays particular attention to legislative compliance and implements internal policies and procedures to prevent and manage the risk of non-fulfillment of legal obligations.

The Company invests in staff training and development, continuous monitoring of legislative changes, and collaboration with regulatory authorities to ensure maximum compliance with current legal requirements, which contributes to risk mitigation and the maintenance of operational and financial stability.

This proactive legal risk management is essential for preventing potential negative impacts that could affect not only liquidity but also the reputation and operating capacity of the company.

➤ **Price Risk**

Transelectrica is not directly exposed to energy market price fluctuations, as its revenues are primarily derived from regulated tariffs for electricity transmission services. However, market volatility can exert an indirect impact on the company by influencing electricity demand. Significant price increases in the free market may lead consumers to reduce consumption or migrate toward more advantageous alternative contracts, thereby affecting the volume of electricity transmitted by Transelectrica.

Key factors influencing price risk include national and European energy policies, government decisions, and regulations issued by ANRE, such as energy transition policies or fiscal changes.

Additionally, variations in production capacity from renewable sources, such as wind or solar energy, generate significant price fluctuations, particularly during extreme weather conditions.

To manage this risk, the company collaborates closely with ANRE for the periodic adjustment of electricity transmission tariffs, ensuring they accurately reflect operating costs and investments made.

At the same time, sustained investments in technology and advanced energy management increase Transelectrica's flexibility in the face of energy market oscillations, contributing to mitigating the market's volatile impact.

In the context of energy market unpredictability, which can generate significant increases in costs associated with OTC (Own Technological Consumption), this risk can affect the company in multiple ways, with a potential impact amplified by the volatility of energy markets at both national and international levels.

To offset these oscillations, the company utilizes tariff correction mechanisms agreed upon with the

regulatory authority. The adjustments applied in the second half of 2025 were intended to balance revenues against the procurement costs for system services/balancing capacity, ensuring financial sustainability in the face of market volatility.

This balanced approach reflects both the opportunities and the challenges of price risk, providing a realistic perspective on how Transelectrica manages and mitigates the impact of the constantly changing energy market.

As of December 31, 2025, Transelectrica continues to prioritize investments in monitoring and forecasting technologies. These allow for more efficient management of energy flows and better anticipation of procurement needs, reducing exposure to price 'spikes' on the balancing market.

➤ **Credit Rating Downgrade Risk**

The risk of a credit rating downgrade arises from the deterioration of financial indicators, the macroeconomic and political climate, and/or the worsening of the Company's financial performance.

This reflects a complex set of factors with a potential effect on increasing financing costs in the credit market, which can significantly affect the Company given a possible need for capital to be raised to finance the investment plan within the NPG (National Power Grid) Development Plan 2026-2035.

➤ **Investment Risk**

Throughout 2025, Transelectrica continued the implementation of its ambitious investment plan (CAPEX) aimed at modernizing and expanding the transmission grid.

Constant monitoring of the execution status of major projects and cost evolution remained a priority, alongside the early identification of potential risks related to budget overruns or delays.

The company conducted periodic analyses of investment profitability prospects, ensuring a prudent allocation of financial resources and aiming to maximize long-term economic benefits.

In addition to implementing its own projects, Transelectrica actively monitored the performance of its subsidiaries providing essential services, evaluating their capacity to support the parent company's operations. Efforts focused on ensuring the continuity and quality of services rendered, the early identification of operational and financial risks at the subsidiary level, and the implementation of necessary preventive measures to limit their impact on the company's activity.

Due to proactive management of risks associated with asset investments and subsidiary performance, potential negative effects were effectively mitigated throughout the 2025 financial year, contributing to Transelectrica's stability and sustainable development.

Events and uncertainty factors that may affect the Company in 2026

Climate change and extreme weather conditions may expose the Company to a range of events and

uncertainty factors that could impact its operations. Severe weather (such as storms, floods, or frost) can damage electrical grids, leading to power supply interruptions.

Legislative changes regarding environmental protection or the promotion of renewable energy sources may necessitate additional investments or modifications to the existing infrastructure.



5. Human Resources

Building a sustainable energy future is not an easy undertaking. It is essential to rely on individuals who bring their expertise and work with determination and commitment at every stage of the activities they perform, from the design phase through to execution—professionals capable of turning complex projects into reality.

Transelectrica considers it important to create an attractive, stable, and motivating work environment, ensuring health and safety, with the objective of becoming an employer of choice for specialists in the energy sector and a hub for strategic thinking and action in the development of the Romanian energy sector

Its people, within a framework of organizational culture and professionalism, determine, over the long term, the Company's resilience and visibility in a dynamic and continuously evolving labour market.

Staff Structure

The Company acknowledges that its employees represent the most important resource for the proper conduct of its activities. In this regard, through the personnel policy it promotes, the Company aims to prioritize the development of human resources and to ensure an adequate level of financial incentives and motivation in line with current requirements.

In recent years, human resources management has had as its primary objective the enhancement of employee engagement.

According to its operating licence, Transelectrica does not, as a rule, employ temporary staff. The operation of the electrical substations within the ETG and the provision of dispatching services for the National Power System (NPS) are carried out by operational personnel organized on a permanent shift basis.

Furthermore, Transelectrica promotes a human resources diversity policy, specifically regarding gender, age, and educational diversity.

The Company promotes diversity as an essential element of governance and sustainable performance, ensuring balanced representation in management positions, age diversity, and professional background, in accordance with European best practices, while taking into account the Company's recruitment and promotion procedures and applicable labor legislation. Gender diversity within the Company is reflected in specific fields of activity; however, it should be noted that the Company's core operations are technical in nature, within the operational and maintenance areas,

where positions are predominantly held by male personnel.

A gender diversity policy for management positions offers clear advantages in terms of ensuring decisional balance and reducing managerial risks, while also aligning with the recommendations promoted by the European Union and the Organisation for Economic Co-operation and Development (OECD).

Furthermore, promoting a gender diversity policy can lead to increased decision-making transparency and the consolidation of the institutional image. The Company's employees are aged between 20 and 68; this age diversity ensures a balance between experience and innovation, contributing to the transfer of skills between generations, increasing organizational adaptability, and diminishing the risk of professional exclusion.



In terms of educational background, Transelectrica's workforce includes both secondary and higher education graduates across a wide spectrum of specializations (electrician, mechanical foreman, electronics technician, welder, legal counsel, physician, psychologist, mathematician, computer engineer, electromechanic, energy specialist, electrical engineer, economist, etc.).

This educational diversity fosters interdisciplinary approaches, supporting innovation and complex solutions, which leads to increased operational flexibility and the diversification of competencies.

Table 5: Number of Employees

Year / indicator	2025	2024	2023
Number of Employees	2018	2026	2.037

In the current year, employees holding higher education degrees represent 74% of the total workforce, while 26% are employees with secondary education, generally with an electro-energetic profile.

Table 6: Number of Employees by Level of Education

Level of education	2025	2024	2023
Higher education	1.491	1.543	1.510
Secondary education	527	483	527
Primary education	-	-	-
TOTAL	2.018	2.026	2.037

Analyzing the structure of employees by gender, it is noted that nearly three quarters of the total workforce are men.

Figure 10: Staff Structure by Gender – 2025

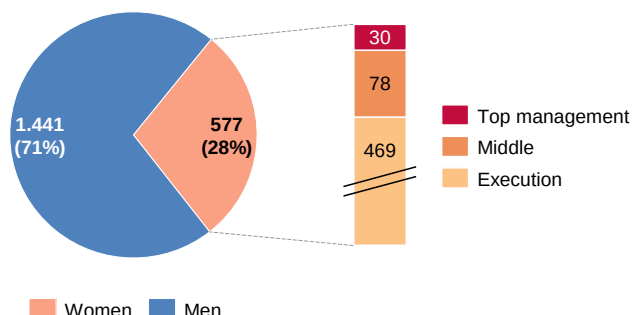


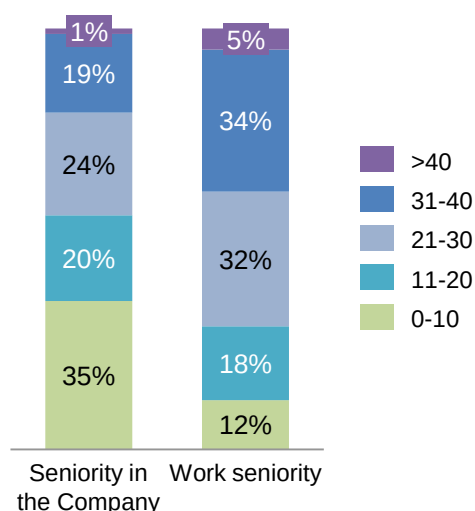
Table 7: Staff Structure by Category

Staff Categories	Number of Employees 2025	Number of Employees 2024	Number of Employees 2023
Operational and operative staff (standardized positions), of which:	1,404	1,405	1,404
DEN	189	189	191
Operation staff in transformer substations, telecontrol centers and operation centers	897	903	905
Admission–reception staff	112	109	111
OMEPA staff directly involved in productive activities – operation centers, non-conformity resolution, telemetering systems, market participant relations	43	45	45
Staff directly involved in the organization and monitoring of substation operation activities	163	159	152
Support activities and executive management staff	614	621	633
TOTAL	2,018	2,026	2,037

The operational and operative field accounts for the largest share of staff categories, namely 70%. Among these, the highest concentration is represented by employees in operations, accounting for 64%.

From a gender classification perspective, women represent 29% of the total workforce, and this structure has remained constant in recent years. Of the 577 women employed by Transeletrica as at 31 December 2025, 30 held top management positions and 78 held middle management positions, together representing 19% of the female workforce.

Figure 11: Number of Employees by Seniority Groups – 2025



Considering the Company's activity, which is of strategic interest, the majority of employees have between 21 and 40 years of seniority in employment, being experienced staff who add value within the Company.

Table 8: Employee Structure by Length of Service

Length of Service [years]	2025	2024	2023
0-10	236	243	251
11-20	354	367	388
21-30	645	633	619
31-40	682	687	693
>40	101	96	86
TOTAL	2,018	2,026	2,037

With regard to length of service, 39% of employees have more than 30 years of employment seniority.

Table 9: Employee Structure by Length of Service within the Company

Years of Service	2025	2024	2023
0-10	711	745	753
11-20	411	375	368
21-30	493	503	525
31-40	377	386	367
>40	26	17	24
TOTAL	2,018	2,026	2,037

With regard to the activity carried out within the Company, more than half of the employees have up to 20 years of service, while the proportion of those with more than 30 years of service within the Company has remained constant in recent years, namely 20% of the total workforce.

Employees aged over 40 in 2025 represent 80% of the total workforce.

49 years

Average age in 2025

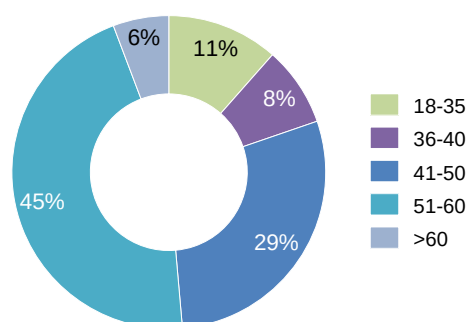
At the same time, employees aged between 18 and 35, with retention and advancement potential, account for 11% of the total workforce.

Table 10: Employee Structure by Age Categories

Age [years]	2025	2024	2023
18-35	232	235	242
36-40	166	166	182
41-50	583	611	636
51-60	921	904	858
>60	116	110	119
TOTAL	2,018	2,026	2,037

In recent years, the energy sector has faced a shortage of qualified personnel. Given that the training of an energy specialist is a complex process, the Company places particular emphasis on continuous on-the-job training, as well as on motivating and retaining high-potential employees.

Figure 12: Staff structure by age 2025



Efforts are also being pursued to ensure the legal and budgetary conditions for implementing a human resources policy that guarantees an attractive environment for the Company's employees, from both an organizational and a salary perspective.

As a priority objective in the Company's development policy, it is imperatively necessary to include:

- Sustainable performance – motivated and well-trained employees who contribute to the stability of the national power grid,
- Contribution to energy security – through the professionalism of its staff, Transelectrica fulfills its role as the guarantor of the energy balance.

The quality of the Company's employees is of paramount importance and guarantees their status as essential personnel for national security, given that:

- The specific practical and theoretical knowledge required to fulfill TSO (Transmission System Operator) responsibilities - including management expertise and interpersonal skills - is of the highest standard;
- The complexity of the issues encountered and the context in which they must be resolved (energy market, balancing market, National Energy Dispatcher, operation and maintenance activities, stock market operations, relationship with ANRE, corporate governance, critical infrastructure, participation in projects of European interest, etc.

Furthermore, in recent years, private study scholarships have been awarded and partnerships have been established with the Polytechnic University of Bucharest to support young students in practicing their chosen field. These initiatives provide them with the opportunity to learn and familiarize themselves with the Company's scope of activity, offering the possibility of employment in a position matching their professional training upon graduation, subject to the availability of vacancies.

5.1. Professional Training

The purpose of the training and professional development activities carried out in 2025 was defined as facilitating and actively supporting the continuous learning process, through which employees develop their knowledge and broaden their expertise in their specific fields of activity.

In 2025, the Maintenance, Training and Professional Development Program focused on the acquisition, updating and accumulation of new knowledge, the consolidation of existing knowledge and the development of new skills, the enhancement and diversification of professional competencies - particularly specialized competencies - the development of employees' skills and aptitudes, and the expansion of their professional knowledge base and area of expertise, with a view to the effective performance of their professional duties and to strengthening confidence in their own competencies and acquired experience.

The principles underlying the implementation of the "Company Employees' Maintenance, Training and Professional Development Program" for 2025 were efficiency, effectiveness, coherence, and equal treatment among employee categories. Furthermore, in 2025, priority was given to ensuring the organization and conduct of training sessions for personnel who, in the course of their professional activities, require certification, authorization, as well as recertification or reauthorization.

These results were achieved primarily due to the fact that the professional training programs were conceived and designed based on specific needs (customized curricula, topics tailored to the concrete needs identified), structured by employee categories and levels of knowledge. The objectives pursued were to improve professional efficiency and effectiveness,



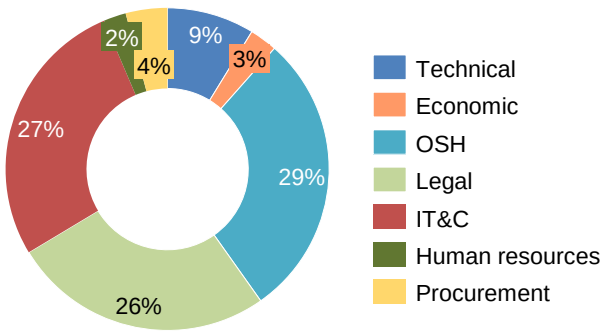
to increase confidence in individual strengths and capabilities, and, not least, to provide a concrete and realistic perspective on career development.

During 2025, training courses were organized with professional training service providers in the following fields: technical (124 participations), economic (20 participations), occupational health and safety – OHS (331 participations), legal (302 participations), and IT&C (314 participations), among others. The expenses recorded for this category of courses amounted to RON 404,699, with a total of 1,154 participations.

Additionally, throughout 2025, technical professional training sessions were conducted *במסגרת* consolidated professional training programs, with a total of 1,511 participations. The total number of training hours delivered to the 1,511 participants amounted to 23,128 hours. The training was delivered by internal lecturers (Company employees acting as trainers); therefore, no expenses were recorded for professional training services in relation to this category of training.

Another category of internal courses organized consisted of specialized technical courses delivered by internal lecturers from among the Company's employees. The number of participations in this category of courses was 183, and the total number of training hours amounted to 6,000.

Figure 13: Distribuion of Course Participations by Field



Total number of participations in internal and external training courses: 3,231 participations, of which:

- 1.171 participations in courses delivered by external providers
- 2.060 participations in internal courses

Number of internal training hours: 32.056 hours

Number of external training hours: 11.904 hours

Total number of training hours: 43.960 hours

The priority objectives regarding professional training aim to improve employees' professional performance, in order to ensure the performance and efficiency of activities at the level required by the regulatory authority and by the energy market.

The sustainable human resources strategy focuses on the enhancement, development, and diversification of employees' professional competencies and also takes into account the need to ensure the efficient delivery of continuous professional training activities for personnel.

5.2. Trade Union Representation

The Company and the trade union organization acknowledge each other as partners in permanent social dialogue.

The Company's employees are affiliated with the Transelectrica Trade Union, which is part of the National Federation of Trade Unions in Electricity UNIVERS (an organization with over 16,000 members and signatory to the Collective Labour Agreement concluded at Transelectrica level, valid from 01.01.2025 to 31.12.2026). In turn, the Federation is affiliated with the National Trade Union Bloc (BNS) and, at international level, with Public Services International (PSI), an organization with over 20 million members from 148 countries, as well as with the European Federation of Public Service Unions (EPSU), representing over 8 million employees. Within these federations, our representatives actively participate in the actions, conferences, and seminars organized by these partners.

At present, over 98% of the total workforce are members of the 12 legally established trade unions: three at the level of the Company's Executive, one at the level of the Operational Unit – National Energy Dispatcher, and one at the level of each Territorial Transmission Branch. None of these trade unions meets the representativeness criteria at company level, in accordance with Law no. 367/2022, as subsequently amended and supplemented.

Within the Collective Labour Agreement, individual and collective employment relationships are regulated, as well as the rights and obligations of the parties with regard to:

- its conclusion, performance, amendment, suspension, and termination;
- working time and rest time;
- remuneration;
- occupational health and safety, working conditions;
- professional training.
- the social protection of employees and other rights;
- the rights and obligations arising from employment relationships;
- the rights and obligations arising from employment relationships;
- mutual recognition, as well as the rights and obligations of the employer and of the trade union organizations.

In order to resolve issues that may arise in the application of the Collective Labour Agreement in

force, to prevent labour disputes, and to establish an organizational framework that enables the maintenance of permanent dialogue with employees' representatives, the parties have agreed to meet whenever necessary within the framework of the Employer–Trade Unions Joint Committee, which operates in accordance with its own rules of procedure.

The year 2025 was one in which only the partial maintenance of the rights provided under the Collective Labour Agreement was achieved, as the repeated attempts of the trade unions to increase gross base salaries, in order to mitigate the effects of inflation and provide additional employee motivation, were frozen by the Government of Romania.

The objective of trade union representation for 2026 will be to ensure the full application of the rights provided under the Collective Labour Agreement. Furthermore, measures aimed at motivating employees and stimulating performance within the Company include increasing the salary package, requesting the negotiation of a salary increase to mitigate part of the effects of inflation, within the limits of the approved 2026 Revenue and Expenditure Budget (BVC 2026), as well as improving occupational health and safety conditions for employees.

5.3. Responsibility towards Employees

The Company's main objective in its direct relationship with employees is to ensure a safe and healthy working environment, while taking care to minimize the impact of its specific activities on the environment and natural resources.

In the event of serious medical conditions, the Company provides financial support to employees for special medical treatments, as well as flexible or reduced working schedules for the period recommended by the attending physician.



The continuous maintenance and development of the Integrated Management System with regard to occupational health and operational safety represents a top priority for the Company.

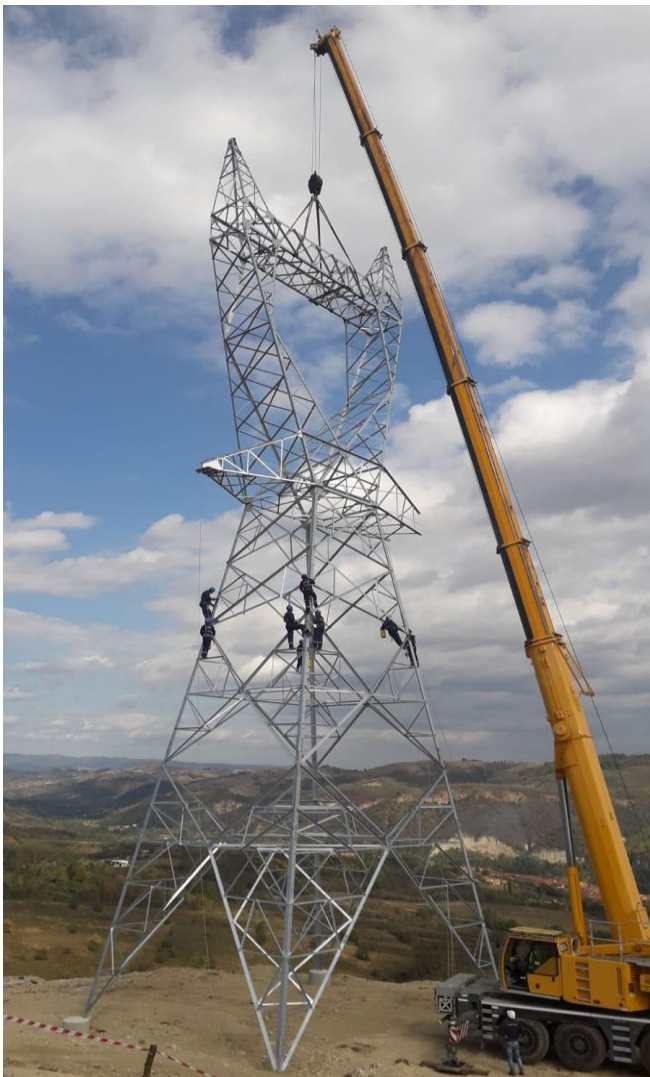
In 2025, occupational health medical services within the Company were and continue to be provided by occupational health physicians operating in the medical offices of the Executive and the Company's Territorial Transmission Branches (STTs).

In order to achieve the assumed objectives, the Company, through its occupational health and safety activities, ensures the documentation of the Integrated

Management System by updating operational procedures, updating and/or drafting its own Occupational Safety Instructions, and carrying out assessments of risk factors for accidents and occupational illnesses for all Company personnel. These measures are complemented by employee training and awareness programs, the assessment of workplace risk levels, and periodic operational controls, consisting primarily of operational checks regarding compliance with applicable legal requirements and other occupational health and safety requirements.

Health surveillance in 2025 was structured as follows:

- In the first semester of 2025, the periodic medical examination of operational personnel working in electrical installations was carried out.
- In the second semester of 2025, the following were conducted:
 - the periodic medical examination of non-operational personnel; and
 - the medical examination of operational personnel working under isolated conditions.



The Occupational Health and Safety Program for 2025 was implemented at a rate of 76%, corresponding to an amount of RON 2,760 thousand (EUR 552 thousand).

Among the objectives pursued through the occupational health and safety programs at Company level in 2025, the following may be highlighted:

- bringing the installations into compliance with the occupational health and safety requirements set out in the Company's own occupational safety instructions, aligned with European requirements. These actions resulted in the reduction of the risk of accidents and occupational illnesses among personnel carrying out activities within the Company's installations;
- equipping the Company's personnel with personal protective equipment in accordance with the requirements set out in the Company's own occupational safety instructions;
- ensuring and continuously monitoring the health status of personnel, in accordance with the provisions of Government Decision no. 355/2007;
- performance evaluation services for refurbished facilities within NPG CO. "Transelectrica" S.A. regarding occupational risks;
- training personnel regarding accident risks within the Company's installations.

In order to improve the effectiveness of the Integrated Management System with regard to occupational health and operational safety, the following actions are envisaged:

- continuing the reassessment of risk factors for accidents and occupational illnesses for all substations refurbished in 2026/2027;
- monitoring the health status of personnel with cardiovascular diseases (with contraindications for authorization) and reporting on a quarterly basis;
- consultation, in matters of occupational health and safety, with the main general contractors performing works in the ETG installations;
- continuation of consultation with the Company's own personnel in matters of occupational health and safety, through the application of activity assessment questionnaires and the implementation of policies resulting from such consultations.
- centralized procurement of PPE to achieve higher product quality and standardized equipment for employees relative to identified risks.

6. Research and Innovation Activity

Description of the research and innovation activity in 2025

The ENTSO-E Research and Innovation Vision and Plan provides a reference framework for each Transmission System Operator (TSO), including Transelectrica, for the development of projects that support a secure and efficient energy transition through the testing and integration of new technologies.

The implementation plan of the ENTSO-E Research and Innovation Vision represents an essential strategic instrument for each Transmission System Operator (TSO), guiding research initiatives and technological development in the context of the energy transition.

In line with this vision, the Company intends to continue its efforts to strengthen its core activities by promoting innovative ideas and solutions that can be integrated into the operation of the electricity network and into asset management.

A central component of these efforts is represented by the assets and technologies used within the transmission network. Asset management constitutes a key function for the TSO, aiming at:

- testing new technical solutions;
- developing failure models in order to understand the impact of operating conditions on critical components;
- using the most cost-effective and reliable technologies to maximize infrastructure availability.

In order to align with the key trends in the energy industry - namely decarbonization, decentralization, and digitalization - the current directions in the field of Research and Innovation are as follows:

- integration of new components into transmission networks;
- development of modern installations that support active power flow control based on power electronics;
- application of superconductivity;
- reduction of environmental impact through life-cycle assessment and the replacement of greenhouse gases (e.g., SF₆) and mineral oil in transformers;
- optimal network design and the use of modern planning methodologies and software.

In line with the directions promoted at European level, which strongly support digital innovation,

Transelectrica undertakes **the commitment to become a digital organization**. This transition will be achieved through the implementation of Research, Development, and Innovation (RDI) projects and digital transformation programs, based on ambitious objectives that will yield a substantial impact on the quality and efficiency of the services provided.

For Transelectrica, the need to accelerate technological innovation is evident. This mission is shared by the Energy Regulatory Authority, which encourages network operators to seek innovative solutions.

Accordingly, Transelectrica has defined and validated a series of strategic documents intended to support its vision and ambitions as a high-performing network operator.

These include:

- the Strategy in the field of Research and Innovation;
- the Smart Grid Policy;
- the Digital Transformation Program;
- the Technical Policy on Asset Digitalization within the modernization initiatives of NPG CO. Transelectrica S.A.;
- the Technical Policy on Asset Digitalization within the modernization initiatives of NPG CO. Transelectrica S.A. – Part II – Concept: “Geographic Information System and Outage Management System”.
- the Technical Policy on Asset Digitalization within the modernization initiatives of NPG CO. Transelectrica S.A. – Part III – Concept: “Digital Technology Testing Laboratory and Staff Competence Development”;
- the Technical Policy on Asset Digitalization within the modernization initiatives of NPG CO. Transelectrica S.A. – Part IV – Concept: “ETG Asset Health Center”.

These documents translate, in a structured manner, the European objectives (of the European Commission, ENTSO-E, regulatory authorities, etc.), defining clear implementation directions.

Transelectrica’s Strategy in the field of Research and Innovation is materialized through the development of a roadmap supporting the transformation of the

Company into a greener, smarter, and more innovative entity.

The objectives envisaged for implementation within the flagship projects relate to the following targets:

- the implementation, testing, and validation, within modernization projects, of the following concepts, methodologies, standards, and best practice elements:
 - the concept of online condition monitoring for the Company's critical assets (e.g., transformer units, power lines, etc.);
 - asset management;
 - Digital Technology Testing Laboratory and Staff Competence Development.
 - ETG Asset Health Center;
 - GIS and OMS Systems Concept;
 - asset health concept;
 - risk index concept for ETG assets;
 - methodology for the development and implementation of Smart Grid concepts (e.g., architectures, interoperability standards, telecommunications standards, customer interfaces, etc.);
 - E-learning concept;
 - Smart Building concept;
 - Augmented Reality / Virtual Reality concept,

- training and certification of personnel for the development of strategic capabilities in the field of digitalization;
- the definition and implementation of projects with a significant innovation and learning component (e.g., digital substation projects, IT&C infrastructure modernization projects, asset management platform, equipment with environmental impact, etc.).
- continuation of participation in projects financed through non-reimbursable funding schemes, in order to prepare the conditions for the adoption of new models, concepts, and methodologies within the Company's operational or enterprise areas;
- further development of partnerships with consultants and with solution and service providers, in order to understand emerging technological and managerial trends that may influence the Company's future performance.

In this context, the research and innovation project portfolio (DigiTEL) will significantly contribute to improving the company's long-term performance, providing a strategic response to the opportunities generated by national and European initiatives, such as the National Integrated Energy and Climate Plan (NECP) and the ENTSO-E Ten-Year Network Development Plan (TYNDP).

Digital Transformation – DigiTEL Strategic Directions-Transelectrica

In alignment with the vision of the European Union, Transelectrica develops and implements, through the DigiTEL portfolio, strategic research and innovation

projects that support the digitalization, sustainability, and modernization of energy infrastructure.

The main directions pursued are described below:

Strategic Direction	Description
Advanced Digital Competencies	Development of digital hubs and laboratories for workforce training in digital competencies, including students and employees.
Smart Grids and Advanced Robotics	Testing of digital substations, expert systems for asset management, and innovative data collection and analysis technologies (robots, drones, digital twin, etc.).
Internet of Things (IoT)	Implementation of IoT solutions for smart buildings, industrial automation, and integrated smart metering systems.
Circular Economy	Sustainable projects aimed at reducing waste, extending product life cycles, and reusing infrastructure, in line with decarbonization objectives.
Artificial Intelligence and Big Data	Development of AI systems and cloud infrastructures for predictive maintenance, forecasting, and rapid real-time decision-making.
Asset Management and Sustainable Technologies	Testing of solutions for technical condition assessment of equipment and for reducing environmental impact (SF ₆ alternatives, environmentally friendly oils).
Industry 4.0 Concept	Integration of key Industry 4.0 technologies: augmented reality, simulation, autonomous robotics, big data, cybersecurity, and cyber-physical systems.
Continuous Training and Testing Infrastructure	Development of e-learning platforms and digital laboratories in partnership with universities and industry to support personnel development.
Data-Driven Decision-Making	Optimization of operational processes and leveraging of big data to support decisions related to network operation, maintenance, and planning.

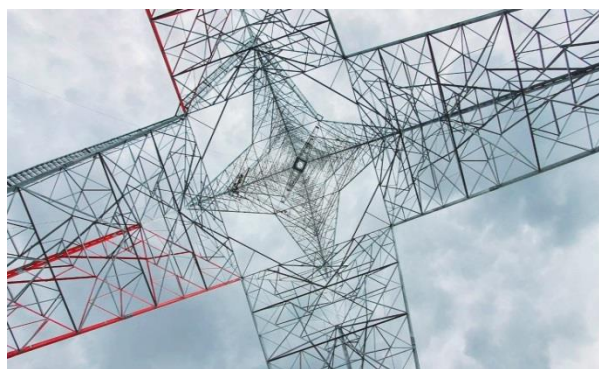
Transelectrica has representatives with permanent activity within the RDIC – Research, Development and Innovation Committee (ENTSO-E) and its working groups, including in the development of the ENTSO-E

document with strategic impact at European level: “Research, Development & Innovation Roadmap 2024–2034” and its subsequent Monitoring and Implementation Report.

Flagship Project Portofolio under the DigiTEL Brand

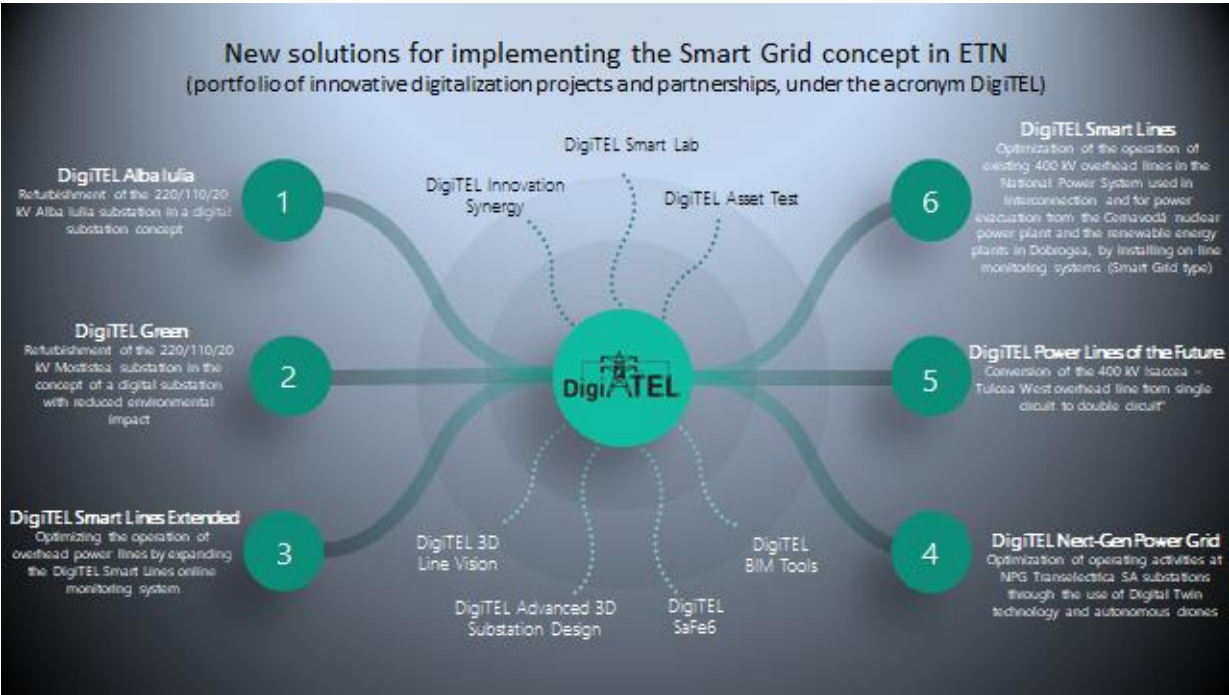
- Pilot Project – “Refurbishment of the 220/110/20 kV Alba Iulia Substation under the Digital Substation Concept” – DigiTEL Alba Iulia.
 - DigiTEL Green Pilot Project – “Refurbishment of the 220/110/20 kV Mostiștea Substation under the Digital Substation Concept with Reduced Environmental Impact.”
 - Pilot Project – DigiTEL 3D LineVision (LiDAR scanning of TEL objectives).
 - DigiTEL Power Lines of the Future Pilot Project – “Upgrade of the 400 kV Isaccea – Tulcea Vest Overhead Transmission Line from Single Circuit to Double Circuit.”
 - DigiTEL Smart Lines Project – “Optimization of the Operation of Existing 400 kV Overhead Transmission Lines within the National Power System (NPS), used for interconnection and for power evacuation from the Cernavodă Nuclear Power Plant and renewable energy plants in Dobrogea, through the installation of online monitoring systems (Smart Grid type).”
 - Optimization of overhead transmission line operation through the extension of the DigiTEL Smart Lines online monitoring system.
 - DigiTEL Next-Gen Power Grid – “Optimization of operational activities within NPG CO. Transelectrica S.A. substations through the use of Digital Twin technology and autonomous robotic systems.”
 - DigiTEL Trafo Expert Project – “Procurement and installation of 21 integrated monitoring systems for transformer units within NPG CO. Transelectrica S.A. substations.”
- Within the initiatives aimed at developing information exchange and the rapid implementation of Proof of Concept pilot projects, our organization is connected with the entire community, academia, and industry through bilateral cooperation agreements in the field of research and innovation:
- Research & Innovation Cooperation Agreement “DigiTEL – Advanced 3D Substation Design
 - Research and Innovation Cooperation Agreement “DigiTEL – 3D Line Vision”.
 - Research and Innovation Cooperation Agreement “DigiTEL BIM Tools”.

- Research & Innovation Cooperation Agreement “DigiTEL – Asset Test”.
- Research & Innovation Cooperation Agreement “DigiTEL – Innovation Synergy”.
- Research & Innovation Cooperation Agreement “DigiTEL – Grid Tech”.
- Research & Innovation Cooperation Agreement “DigiTEL – SaFe6” (monitoring of SF₆ parameters in the 220 kV Bradu substation).
- Research & Innovation Cooperation Agreement with UPB “DigiTEL – Smart Lab”.
- Research & Innovation Cooperation Agreement “DigiTEL – Trafo Status”.
- Research & Innovation Cooperation Agreement “DigiTEL – AI Automation”.



In addition to the DigiTEL projects supporting the Company's vision and the implementation of innovative concepts, the following may also be mentioned:

- Installations for active power flow control aimed at limiting congestion within the ETG.
- Continuation of the development of the infoTehnic applications (infoStații_BDU, infoOHL, Measurements, ITI, etc.), the continuous updating of the technical database, the provision of specific information, and the achievement of interoperability with other applications existing at TEL level.
- Project of Common Interest CARMEN (Carpathian Modernization of Energy Network) and the National Phasor Data System connected to the International Phasor Data Exchange – National Synchrophasor Platform connected to the International Platform for Synchrophasor Data Exchange (IPDE).



The total value of the DigiTEL Projects as at the end of 2025, being at various stages of design, procurement, or even implementation, is as follows:

Total Project Value	Percentage of Non-Repayable Funds	Amount of Non-Repayable Funds	Co-Financing Amount
320,000,000 Euro	> 75%	> 258,000,000 Euro	< 62,000,000 Euro

Annual Studies and Research Plan 2025

The studies and research program carried out by the Company during 2025 played an essential role in supporting the strategic objectives regarding the safety, reliability, and sustainable development of the Electricity Transmission Grid .

The activities carried out were aimed at substantiating technical and investment decisions, optimizing the operation of the existing infrastructure, and preparing the Company for the challenges generated by the energy transition and by technological developments in the sector.

The results obtained within the Studies and Research Program constitute a significant support for the planning of future activities and for the Company's adaptation to the structural changes in the energy sector, while also contributing to the fulfillment of its responsibilities towards the National Power System and all its users.

Transelectrica annually funds its own study and research programs. The studies approved within the Company and included in the 2025 Annual Study and Research Program (ASRP) have been properly substantiated and have proven necessary for achieving the following objectives:

- fulfilment of the requirements associated with the regulatory framework (e.g., ANRE Licence no. 161, Law no. 123/2012 – the Electricity and Natural Gas Law, as subsequently amended and supplemented, Technical Codes, the regulatory framework applicable to the TSO, etc.);
- substantiation of the Company's decisions regarding:
 - the ex-post determination of losses in the Electricity Transmission Grid for the fourth quarter of 2024 and the first quarters of 2025;
 - the energy balance for each quarter of 2025;
 - determination of the impact of certain investments in the ETG on technological consumption (OTC) for the first three quarters of 2025;
 - promotion of efficient investments in the ETG;
 - promotion of efficient practices for the operation and maintenance of the ETG;
 - improvement of the substantiation of long-term investment decisions through technical support;
 - initial estimation of the reserve requirements within the National Power System (NPS) using probabilistic methods;
 - integration of an increasing share of renewable energy sources;

- Dispatching of the National Power System (NPS) and the Electricity Transmission Grid (ETG) under conditions of efficiency and safety;
- Detailed and comprehensive analysis of expenditure items associated with the fulfilment of the TSO role;

Study and Research Program 2026

The 2026 Annual Studies and Research Program envisages the conduct of studies focused on increasing cross-border interconnection capacity and on the integration of renewable energy resources, in line with the provisions of the National Integrated Energy and Climate Plan (PNIESC) for 2030, under which the installed capacity from renewable sources must reach 5,255 MW.

The Development Plan of the Electricity Transmission Grid (ETG), in accordance with the model developed by ENTSO-E at European level, aims to enable the evacuation of power from areas with a high concentration of renewable energy sources (RES) to consumption areas, to develop regions within Romania where the ETG is deficient (for example, the North-East region), as well as to increase cross-border interconnection capacity.

The increase of cross-border capacities has a major impact on ensuring adequacy under conditions of reduced availability of primary energy sources.

Thus, in order to ensure the operational security of the National Power System (NPS) for the 2030 horizon, the Adequacy Study of the NPS for the 2030 horizon was proposed, in the new European legislative context regarding the transition to renewable energy.

The main objectives of the study are:

- the assessment of the current situation of installed capacity and available generation within the National Power System (NPS), by source type, including the inventory of all generating units, their operational status and effectively available capacity, the identification of power reserves that may be qualified within the system (from the perspective of the new standard types of reserves), as well as the determination of values that can be realistically used (capacities and, respectively, installed and available power).
- determination of the amount of active power estimated to be installed within the National Power System (NPS), by type of primary energy source, by the year 2030, based on information provided by producers and on documents issued by the Government of Romania or the relevant line ministries, as well as on the Integrated National Energy and Climate Plan – Part II (including the

- Identification and adoption of methodologies, standards, and best practice elements in order to enhance the efficiency of the Company's strategic development vision.

permanent decommissioning of units using fossil fuels and the commissioning of new capacities from renewable or less polluting sources, such as natural gas);

- determination of the optimal active power requirement within the National Power System (NPS), by type of primary energy source, by the year 2030, in order to cover the hourly electricity demand and the required reserves under the most adverse conditions, both during the summer season—when the system may face extreme drought and very high temperatures over an extended period (30 consecutive days)—and during the winter season, when very low temperatures (below -20°C) may occur for a period of at least 10 consecutive days.
- determination of the optimal active power requirement within the National Power System (NPS), by type of primary energy resource, in order to ensure system flexibility (assessment of conventional capacities, installation of battery energy storage capacities, and pumped-storage hydropower plants);
- determination of capacity reserves and strategic reserves.
- forecasting of electricity consumption and generation, including from renewable sources, in line with the assumed national targets and international electricity exchanges (import/export), in the context of the coupling of balancing energy markets at European level (the MARI, PICASSO, and TERRE platforms) and of geopolitical developments regarding access to and availability of imported resources and alternative primary fuels;
- assessment of the potential for the installation of new flexibility-providing capacities within the National Power System (NPS).
- the evolution of prosumers, of the cross-border capacities of the National Power System (NPS), as well as of the cross-border capacities in the South-Eastern Europe region and in Central Europe;
- the assessment of the resilience of the National Power System (NPS) and of the South-Eastern Europe region;

- the restoration capability of the National Power System (NPS) in the event of a total or partial blackout, in the context of the new generation mix;
- the calculation of Energy Not Supplied (ENS) and of Loss of Load Expectation (LOLE);
- Presentation of the situation of the TSOs in South-Eastern Europe and Central Europe with regard to the current status, the outlook up to 2030, the generation mix, flexibility, the type of reserves used (both standard and strategic), and the impact (if any) on the evolution and safeguarding of power system adequacy (NPS), etc.

Furthermore, for the purpose of fulfilling the obligations incumbent upon the Company under

Activities ancillary to research and innovation activities

Within the Company, the development of knowledge and the promotion of new technologies and solutions in the energy sector are of significant importance, given that they have evolved and progressed substantially in recent years, both in terms of concepts and solutions, as well as equipment.

Accordingly, Transelectrica has become a partner in various funded projects, through which it may bring significant contributions in its capacity as TSO within this geographical area of Europe and towards the fulfilment of the aforementioned aspects.

Within the framework of these partnerships, revenues are generated from other types of activities through the contribution of the Company's experts. The Company may carry out activities related to the management of projects financed through non-reimbursable European funds, under various funding axes, which correspond to the Company's areas of activity.

On behalf of the Company, there are representatives with ongoing activity within the RDIC – Research, Development and Innovation Committee (ENTSO-E).

The role of the RDIC and its working groups is:

- To ensure that the interests of TSOs in the field of research and development are appropriately addressed to the relevant stakeholders;
- To facilitate research and development activities among TSOs;
- To provide comprehensive support and a mutually developed vision regarding the research and development activities of ENTSO-E committees and other stakeholders.
- To promote the research and development concepts, methodologies, and technologies that will constitute and drive future energy systems;

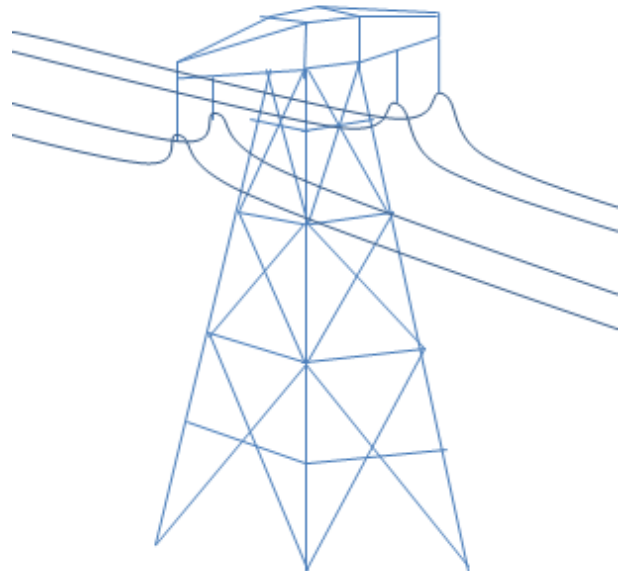
ANRE Order No. 53/2024, the “Comprehensive Study on the Allocation of Electricity Network Capacity for the Connection of Electricity Generation Sites” has been included in the 2026 Annual Program of Studies and Research.

ANRE Order no. 53/2024 approving the Methodology for allocating electricity network capacity for connecting electricity production sites. introduces a competitive auction-type mechanism for allocating available electricity network capacity for connecting new production capacities with installed power greater than or equal to 5 MW.

- To support activities related to standardisation and interoperability.

Furthermore, within the RDIC there are six working groups in which Transelectrica has appointed members:

- WG1 Assets and Technologies;
- WG2 Security and System operation of tomorrow;
- WG3 Flexibility and Markets;
- WG4 Future of energy systems;
- WG5 Digital & Communication;
- WG Research, Development and Innovation Planning (WG RDIP).

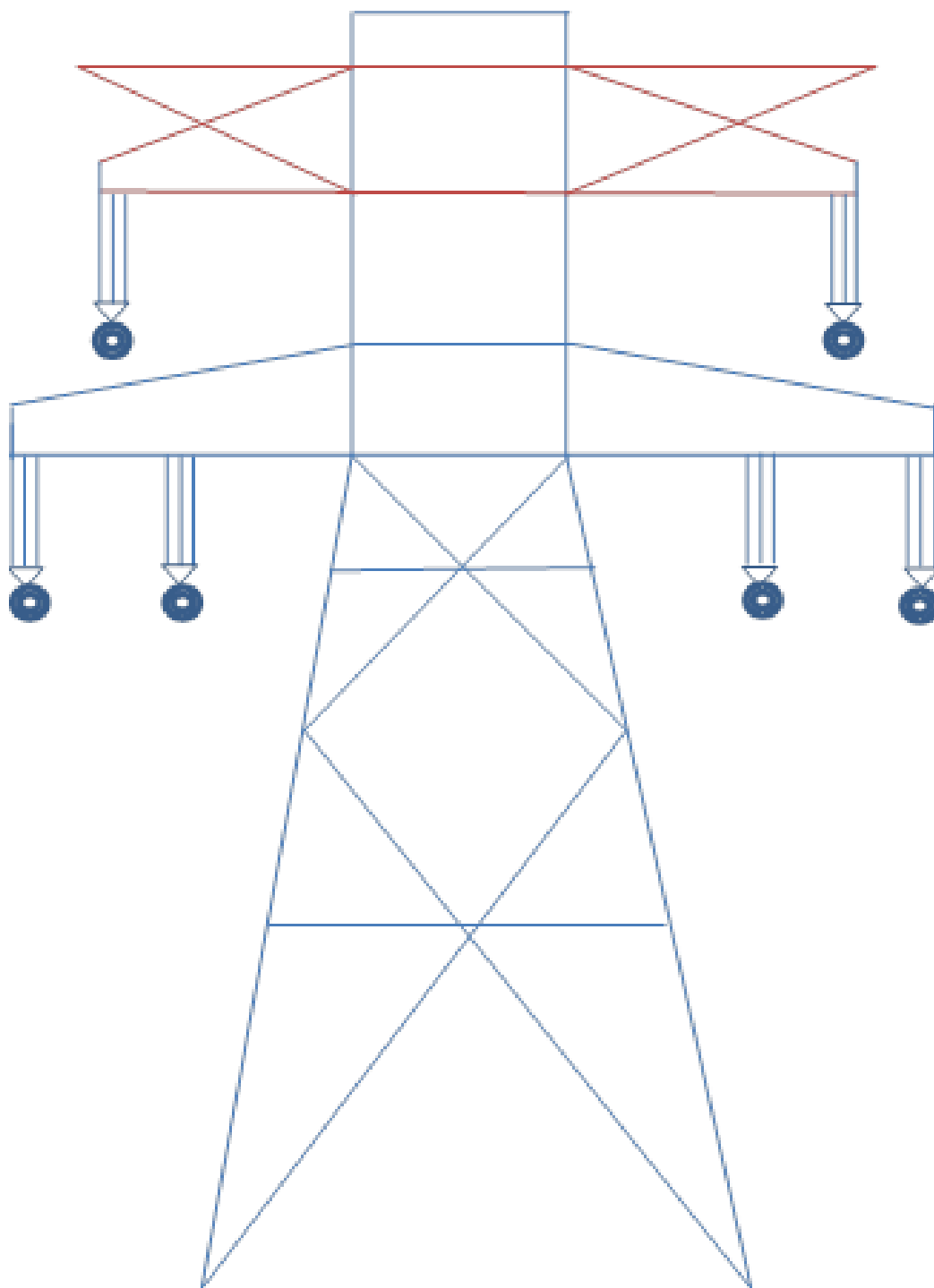


Within WG RDIP, the Company's representatives are members of the team responsible for drafting the Implementation Plan following the Research, Development & Innovation Roadmap 2024–2034, to which they actively contributed during the previous update cycle. In 2025, various workshops addressing

topics of interest and of a high degree of novelty were held, in which Transelectrica's representatives also participated.

Participation was also ensured in the Strategy Workshop, organised annually within the framework of the RDIC.

RDIC Meeting No. 76, held in April 2025, was hosted in Bucharest.



7. Perspectives and challenges

Transelectrica holds a significant position in terms of its strategic role in the development and modernization of the national energy system, as electricity represents an essential source with significant potential for the future. However, to ensure an efficient and sustainable energy transition, it is imperative to address existing challenges. In this context, Transelectrica plays a crucial role in developing the power transmission infrastructure, serving as the main pillar of the Romanian energy system.

Progress in renewable technologies, such as solar panels and wind turbines, is making electricity increasingly accessible and efficient. The Company contributes to this evolution by modernizing and retrofitting the transmission grid, facilitating the integration of new production capacities from renewable sources, particularly in high-potential areas like Dobrogea and Moldova.

Additionally, Transelectrica invests in energy storage technologies and digitalization through smart grids. These initiatives enable more efficient consumption management, loss reduction, and increased stability of the national energy system.

In accordance with the European Union's vision for digital innovation, Transelectrica will ensure the transition to a digital organization during the 2024–2033 period, as outlined in the TYNDP (Ten-Year Network Development Plan). The digital transition is set to be implemented through research and innovation projects and digital transformation programs, establishing ambitious goals that will substantially impact the services provided.

Within the complex multi-sectoral mechanism driving the energy transition, the power transmission grid is a determining factor for the overall success of the process.

In Romania, the approach for accelerating the green energy transition is implemented through the Integrated National Energy and Climate Plan 2024–2033 and the National Recovery and Resilience Plan (NRRP), respectively. At the same time, within the context of European regulations, Transelectrica operates within coordination bodies such as ENTSO-E and regional collaborations, contributing to the harmonization of operations and the development of common methodologies. This process ensures efficient grid management and facilitates Romania's participation in the European electricity market.

Transelectrica is part of this ecosystem, being a company of strategic interest in Romania,

indispensable for the proper functioning of the energy system, and the sole operator of the electricity transmission network, as part of the electricity markets coupled at the European level.

The primary goal assumed by the Company's collective leadership is centered on achieving the projections of the Investment Plan and the projects funded by the Modernization Fund to meet strategic grid development objectives. The Company's capacity to complete priority investments in the transmission grid on schedule is an essential condition for achieving the objectives of the national energy strategy:

- Diversifying Europe's energy sources, ensuring energy security through solidarity and cooperation between EU countries;
- Ensuring the functioning of a fully integrated internal energy market, allowing the free flow of energy through the EU via adequate infrastructure and without technical or regulatory barriers;
- Improving energy efficiency and reducing dependence on energy imports, cutting emissions, and boosting job creation and economic growth;
- Decarbonizing the economy and transitioning to a low-carbon economy, in line with the Paris Agreement;
- Promoting research in low-carbon and clean energy technologies, and prioritizing their development.

To achieve national and European objectives, Transelectrica has planned investments for the coming years, primarily targeting:

- Integration of new renewable energy production units, particularly in the Dobrogea and Moldova regions;
- Modernization and retrofitting of the transmission grid;
- Increasing cross-border interconnection capacities to reach the 15% target by 2030, including initiatives outlined in the 2024–2033 Ten-Year Network Development Plan (TYNDP);
- Improving the security of electricity supply, a concrete example being the project "Upgrading the 400 kV OHL (Overhead Line) Isaccea–Tulcea Vest from single to double circuit," funded by the Modernization Fund; this project will increase transfer capacity and enable more efficient integration of renewable sources from the

Dobrogea region, the area with the highest energy potential.

In the coming years, through the Company's strategic leadership and development, the transmission grid's role as a catalyst for the energy transition must be leveraged. It is essential to prevent the transmission network from becoming a limiting factor that slows down or delays the effective realization of this transition.

Although several exogenous factors influence Transelectrica's ability to complete planned infrastructure projects, the Company addresses these obstacles proactively and acts systematically to remove or mitigate them.

Regarding the achievement of the 15% interconnection target by 2030, this objective is intended to be met primarily through the implementation of PCIs (Projects of Common Interest) and other grid development projects included in the 2024–2033 TYNDP, aiming to reach a cross-border exchange capacity target of 7,000 MW.

For the next 10 years, the Company proposes investment projects worth nearly 2.7 billion RON dedicated to the integration of new renewable energy production units, both in Dobrogea and Moldova, as well as in other regions. The largest share of planned investments for the coming decade is allocated to grid retrofitting and modernization projects, amounting to approximately 2.9 billion RON. To increase the security of electricity supply, investments exceeding 1.2 billion RON are planned.

The action plan for increasing cross-border capacity involves the implementation of specific projects included in the Ten-Year Network Development Plan (TYNDP) in the coming period, aimed at eliminating predicted structural congestions and increasing the available capacity for cross-border trade.

To develop the national energy infrastructure, the Company secured 56.2 million euros in 2024 through the REPowerEU component of the NRRP (National Recovery and Resilience Plan), approved by the Council of the European Union. This funding is dedicated to three essential investment projects for streamlining and modernizing the electricity transmission grid, two of which are designated for SMART SA and Teletrans SA.

The investment aims at installing photovoltaic power plants and energy storage systems in 29 electrical substations, retrofitting to SMART SA, and optimizing the communication network managed by the Teletrans subsidiary, including the creation of a data center.

On June 25, 2024, the approval decision for the project funded by the Modernization Fund, under

Commission Implementing Regulation (EU) 2020/1001 and Directive 2003/87/EC, was published on the Modernization Fund website. This refers to the Company's investment project: 'DigiTEL Power Lines of the Future Pilot Project – Upgrading the 400 kV OHL Isaccea – Tulcea Vest from single to double circuit'.

The project involves constructing a 400 kV double-circuit overhead line between the Isaccea and Tulcea Vest substations by replacing the existing 400 kV single-circuit overhead line, installing two 400 kV bays in the two substations, and utilizing innovative tubular poles.

The general objective of the project is to increase the integration capacity for new renewable energy sources in the Dobrogea region, where the renewable energy potential is the highest in the country; however, technical constraints imposed by the limits of existing overhead lines prevent the integration of new sources in this area.

By modernizing and doubling the transmission capacity between Isaccea and Tulcea Vest, the transfer capacity to neighboring areas will also increase. Upgrading the 400 kV Isaccea – Tulcea Vest OHL from single to double circuit represents a viable solution to avoid overloads and to increase the connection capacity to the National Power System for renewable energy power plants in the Dobrogea region.

The project is included in the 2024–2033 Ten-Year Network Development Plan (TYNDP) as a project that will contribute to the integration of renewable energy sources and new power plants, while strengthening the transmission capacity from Dobrogea to the rest of the system.

Furthermore, on February 10, 2025, Transelectrica launched the investment for the construction of the 400 kV double-circuit (d.c.) Overhead Line (OHL) Constanța Nord – Medgidia Sud, with one circuit equipped (1 c.e.). This is a strategic project aimed at consolidating the Power Transmission Grid and increasing the security of supply for consumers and producers in Dobrogea. The investment benefits from a non-reimbursable grant from the Modernization Fund amounting to 111,873,780.08 RON, being the first Romanian project approved under this European financing mechanism.

According to the feasibility study, the completion of the new 400 kV overhead line will enable the uptake and transmission of an additional capacity of at least 273 MW of electricity produced from renewable sources in Dobrogea, a region characterized by a production surplus.

Thus, the investment will ensure the efficient evacuation of energy generated from renewable sources, contributing to the balancing and stability of the National Power System. The investment objective includes the construction of a new 37.35-kilometer power line, consisting of two main sections:

- A 400 kV overhead line (OHL) section, to be built on double-circuit steel towers, with a length of approximately 35.35 kilometers;
- A 400 kV underground cable (UGC) section, approximately 2 kilometers long, connecting the overhead portion of the line to the Medgidia Sud substation.

The new transmission line will support the development of energy infrastructure in the Dobrogea region, contributing to the increased evacuation capacity for energy produced in new wind and conventional power plants. It will also ensure the efficient evacuation of energy produced in the southeast of the country to the interconnected power system, providing a secure and efficient supply for consumers in Constanța, the Black Sea coast, and the Tulcea area. Furthermore, the project will consolidate the interface between the Power Transmission Grid and the Distribution Grid in the Dobrogea area and, last but not least, reduce power losses and optimize electricity transmission costs.

The high level of these non-reimbursable funds will have a positive effect on the Company's long-term profitability. Simultaneously, financing investment objectives through grants ensures an increase in the Company's liquidity indicators.

For the year 2026, a significant impact on the Company's financial results may arise from the international macroeconomic and financial climate, the domestic mix of economic, energy, and environmental policies, and the geopolitical tensions generated by the situation in Ukraine. As neighbors of Ukraine and the Republic of Moldova, we play an essential active role in establishing and implementing procedures resulting from the interconnected operation of the Ukrainian and Moldovan Power Systems with the European energy system.

The Company places great importance on the implementation of Projects of Common Interest (PCIs) in the efforts to strengthen energy security at the eastern edge of the European interconnected network, in the context of the synchronization of the Ukrainian and Moldovan systems, such as:

- The importance of cybersecurity in securing smart energy grids;
- Methods to accelerate the achievement of the Green Deal target of total decarbonization by 2050;
- The critical role of energy grids in accelerating the development and integration of RES (Renewable Energy Sources).

Furthermore, Transelectrica proactively supports the Romanian educational sector by continuing its program of awarding scholarships to students from technical faculties in the fields of power engineering, electrical engineering, automation, and computer science, thereby ensuring the start of a motivating and timely professional career within the Company.

Looking ahead, the main challenges for electricity transmission system operators (TSOs) in terms of research and innovation include:

- The use of data mining techniques and HPC (High Performance Computing) to better manage the grid, closer to its physical limits;
- The utilization of new materials and technologies to increase grid flexibility;

The development of methodologies and tools to operate the grid closer to its physical limits without compromising its security (TSOs will need to develop expert systems and decision-support tools to anticipate potential emergencies, provide early warnings to system operators, and suggest possible real-time solutions with their associated probability of success)

The increased use of renewable resources, the digitalization of the energy system, and the cybersecurity issues related to these developments—along with more active customer participation in the energy market—represent new challenges to which the energy system responds through investments in research and innovation.

The digitalization of the energy system and the development of the information technology sector across society and the economy will influence energy systems. The transition from a 'copper-based power system' to one that further integrates information technology, data management, and data nodes, while addressing cybersecurity concerns, is of paramount importance.



Operational Report



8. Operational Data

8.1. Network Configuration

The Electric Transmission Network (“ETN”) is the electricity network of national and strategic interest with a nominal line voltage higher than 110 kV and consists of the set of transmission lines, including their support, control and protection elements, electrical substations, and other power system equipment interconnected with each other.

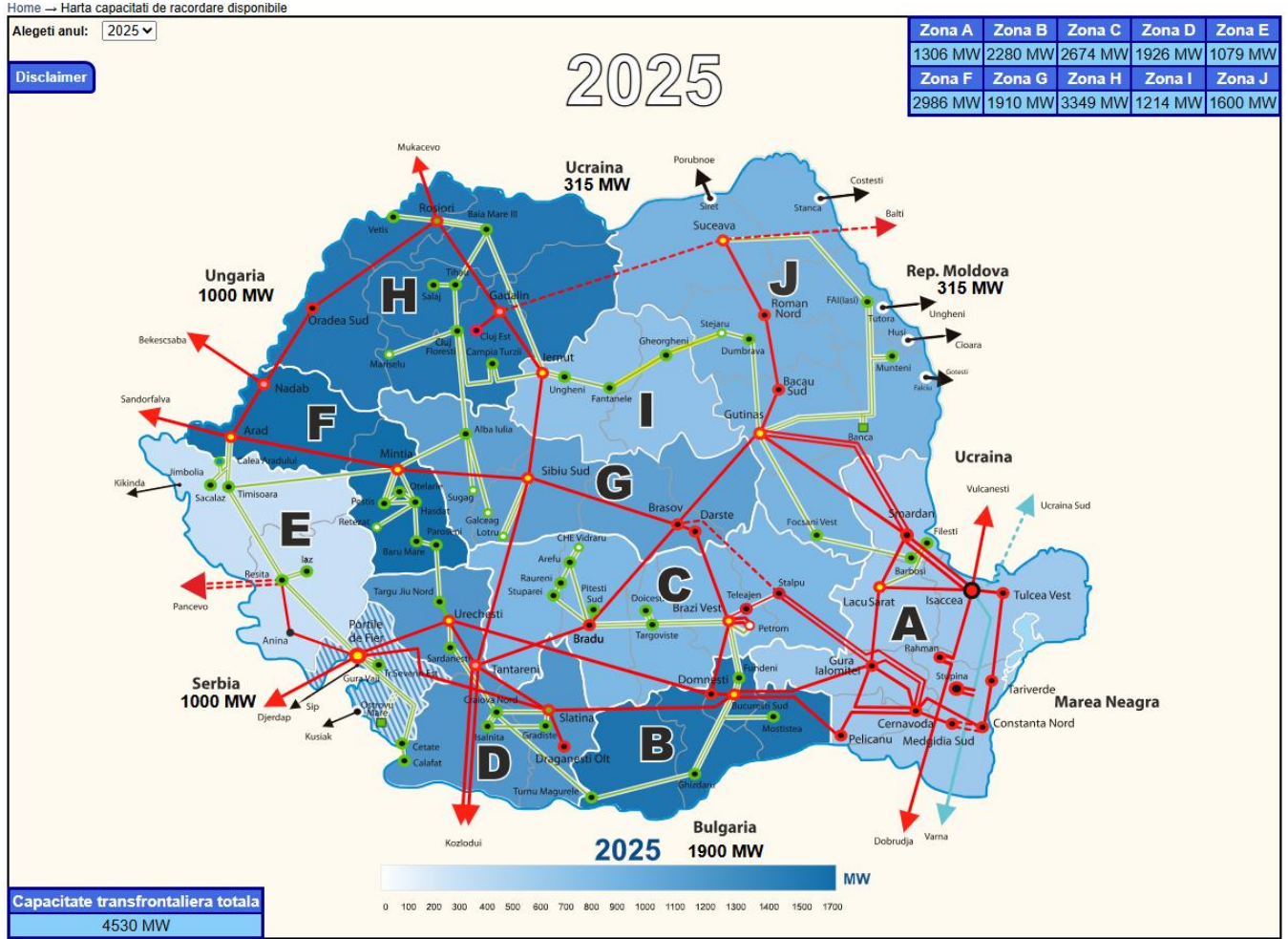
The ETN provides the interconnection between power producers, distribution networks, large consumers, and neighbouring power systems.

In the context of the general concern, both at European and national level, regarding the transition to a carbon-free economy, the National Power Grid Company Transelectrica SA directs its actions towards the development of energy infrastructure with the aim of increasing the capacity to integrate new generation units.

In order to facilitate the establishment of a predictable environment for investments in electricity generation, the national transmission and system operator makes available to the interested public data regarding the capacity of the transmission network to connect new generation units, depending on the different regions of the country.

Thus, this information is accessible on the website www.transelectrica.ro in the form of an interactive map, covering the year 2025 as well as the forecasts for 2030, in relation to the developments of the projects for the development and reinforcement of the electricity transmission infrastructure. The data are presented for 10 regions of the country, including references to the existing connection requests, which are at different stages of processing, and will be continuously updated.

Figure 14: Map of the ETN Connection Capacity



A significant part of the overhead power lines (“OHL”) and of the electrical transformer substations that form

the Electric Transmission Network ("ETN") was constructed during the 1960–1980 period, at the technological level of those years.

The volume of energy capacities, in accordance with the licence for the provision of the electricity transmission service and of the system service, is presented in the table below:

Table 11: Volume of Energy Capacities

Voltage (kV)	Substations (no.)	Installed Capacity (MVA)	OHL (km)
400	39	22.224	5.269,31
220	42	14.283	4.032,44
750	-	-	3,11
110	-	-	40,42*
Total	81	36.507	9.345,28

*(OHL interconnections with neighbouring countries)

Note: In the case of electrical substations, the higher voltage level was taken into consideration.

220 kV electrical substations – connection installations owned by third parties and operated by National Power Grid Company "Transelectrica" SA – amount to 3 units, and the length of the 220 kV Overhead Power Lines (OHL) – connection installations owned by third parties and operated by National Power Grid Company "Transelectrica" SA (in accordance with ANRE Order no. 59/2013, as subsequently amended and supplemented) – is 2.71 km. We also note the 0.3 km of **220 kV underground power lines**.

The Company aims to maintain, under conditions of economic efficiency, the quality of transmission and system services and the operational security of the National Power System, in accordance with applicable regulations and standards jointly adopted at European level.

The integration into the National Power System (NPS) of generation from renewable resources, particularly wind power plants and photovoltaic power plants, both in the form of distributed and dispersed generation at the level of the distribution networks (DN) and through the emergence of very large power plants (on the order of hundreds of MW) connected directly to the Electric Transmission Network (ETN), leads to the need for complex actions to integrate these plants into the EMS/SCADA-DEN system, both as distributed dispatchable sources and as large concentrated sources. This will require the appropriate sizing of hardware equipment to ensure the acquisition and processing of a very large volume of data.

The specific nature of this type of generation, characterized by a high degree of variability with inherent implications for NPS power reserves and balancing market operations, requires the integration of these sources at an appropriate level within the EMS/ASCADA system, while ensuring specific monitoring and energy management (through dedicated EMS functions and applications, such as forecasting or centralized control). Thus, the EMS/SCADA-NDC system has been functionally rehabilitated and modernized to meet contemporary functional and information security requirements.

Furthermore, in order to maintain the adequacy of the network, so that it is appropriately sized for the transmission of electricity forecast to be produced, imported, exported and transited under the changed conditions, two categories of investments have been included in the Ten-Year ETN Development Plan and will be implemented:

- retrofitting (rehabilitation) of existing substations;
- expansion of the ETN through the construction of new lines, the increase of the transmission capacity of existing lines, the extension of existing substations, and the increase of transformation capacity within substations.

In this context, at the end of 2025, the Company commissioned, following the successful completion of technical tests, the first STATCOM installation (Static Synchronous Compensator) within the Electric Transmission Network (ETN), at the 400/220/110/20 kV Sibiu Sud electrical substation.

The investment is part of a major project financed through the Modernisation Fund, namely the installation of two modern reactive power compensation facilities in the Sibiu Sud and Bradu substations, and marks an essential step in the modernisation of Romania's energy infrastructure and in ensuring the operational security of the National Power System (NPS).

The STATCOM installation at the Sibiu Sud Substation, already commissioned and placed at the disposal of the National Energy Dispatcher, represents the first part of the project for the installation of two modern reactive power compensation facilities in the Sibiu Sud and Bradu substations.

The completion of the works at the 400/220/110/20 kV Bradu substation is estimated for the first part of 2026, ahead of the contractual deadline, and the total value of the project amounts to RON 260 million, of which RON 254 million are provided through the Modernisation Fund

The works are being carried out by the consortium Siemens Energy SRL – Electromontaj SA, with a contractual implementation deadline of August 2026. The investment is one of 11 Transelectrica projects financed through non-reimbursable funding from the Modernisation Fund.

STATCOM is an advanced technology that stabilises voltage in the network and directly contributes to increasing the security of electricity supply for residential and industrial consumers. Its implementation strengthens the capacity of the National Power System (NPS) to integrate increasing volumes of renewable energy and to respond flexibly to rapid load variations.

The STATCOM installation provides:

- dynamic and continuous voltage regulation at the network node;
- permanent reactive power compensation;
- increased voltage stability under both normal and contingency operating conditions;
- enhanced flexibility of the National Power System (NPS) under conditions of an increasing share of renewable energy;
- damping of inter-area voltage oscillations occurring at the level of the ENTSO-E interconnection.

This investment has a direct impact on national energy security, by increasing transmission capacity, reducing the risks of instability, and optimising the

operation of the network in situations of congestion, unforeseen events, or rapid variations in consumption.



8.2. Selected Operational Data

The Company is responsible for continuously maintaining the operation of the National Power System (NPS) under safe conditions and in compliance with the quality standards provided in the ETN Technical Code.

At the same time, in order to balance production with consumption in real time, the Company uses the mechanisms of the balancing market.

The operational control of the NPS is ensured by:

- the National Energy Dispatcher
- 5 Territorial Dispatching Centres: Bucharest, Bacău, Cluj, Craiova, Timișoara

NPS Energy Balance

Analysing the evolution of the components of the energy balance, during the January–December 2025 period compared with the same period in 2024, a 0.6% decrease in net domestic consumption and a 2% decrease in net electricity generation can be observed. Compared with 2023, net domestic consumption increased by 3.6%, while net electricity generation decreased by 9%.

Cross-border physical export exchanges recorded an 11% increase in 2025 compared with the same period in 2024 (a 10% decrease compared with 2023), while imports registered a 16% increase compared with 2023 (a doubling compared with 2023).

Decreases in consumption were recorded in January, March, June, July, August, November and December, while during the rest of the year slight increases were recorded, with the exception of February, which registered an increase of 6.3%.

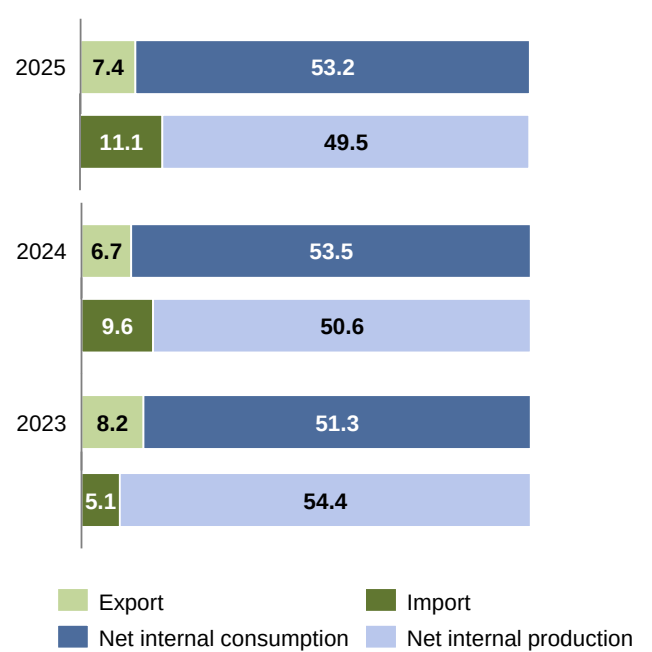
With regard to the decreases in consumption recorded in July–August, these followed an increasingly pronounced downward trend from one month to the next, as the duration of the daily solar radiation interval increased. In other words, as electricity generation at the level of prosumers increases (a quantity that is not measured), a decrease in the measured consumption at national level is recorded.

Table 12: Energy Balance

TWh	2025	2024	2023
Net domestic Generation	49.5	50.6	54.4
Imports	11.1	9.6	5.1
Exports	7.4	6.7	8.2
Net domestic consumption*	53.2	53.5	51.3

* Notes: The values do not include consumption related to auxiliary services of electricity generation plants; the net consumption value includes losses in the transmission and distribution networks, the consumption of pumps in pumped-storage hydropower plants, as well as storage consumption

Figure 15: Energy Balance (TWh)



The significant increase in consumption recorded in February 2025 was largely influenced by the average monthly temperature, which reached -2.10°C, compared to February 2024, when +6.0°C was recorded.

Regarding production within the NPS (National Power System), it consistently decreased compared to the same period in 2024 and 2023, with the sharpest decline recorded in January 2025.

Overall, throughout 2025, electricity import values increased compared to 2024, with the highest level of electricity imports being recorded in January.

Electricity Generation Mix

With regard to the generation mix, in the period January–December 2025, compared to the same period of 2024, a decrease was recorded in the Thermal component by 1% and in the Hydro component by 14%. Increases were recorded in the Renewable and Nuclear components by 3% and 1%, respectively,.

At the end of 2025, electricity production from battery storage systems totalled 184.66 GWh, while the value recorded for prosumers amounted to 1,770 GWh.

In 2025, the energy mix had a predominantly low-carbon profile, with approximately 66% originating from clean energy sources.

Thus, nuclear energy contributed 21%, while hydroelectric power represented nearly a quarter of the total energy generated (24%).

Furthermore, alongside the increase in installed capacity in wind and solar power plants, wind energy accounted for approximately 12% of this type of energy, while solar energy represented 5%, with the remaining balance up to 66% being covered by energy generated by prosumers and storage facilities.

Approximately 34% of the total production is represented by traditional fossil fuels, of which 14% is coal and 20% hydrocarbons.

Regarding the net energy produced for November and December 2025, it does not include the quantities of energy injected into the grid by prosumers.

Table 13: Net Electricity Generation Mix

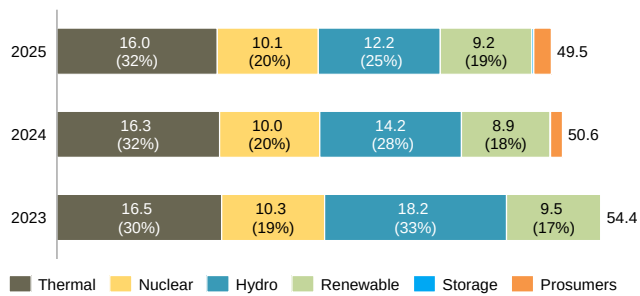
TWh	2025	2024	2023
Termo	16.0	16.3	16.5
Nuclear	10.1	10.0	10.3
Hydro	12.2	14.2	18.2
Renewable	9.2	8.9	9.5
Storage batteries*	0.18	0.03	0.0
Prosumers	1.8	1.2	0.0
Total	49.5	50.6	54.4

* The value recorded in GWh was 184.7 GWh in 2025, 27.5 GWh in 2024, and 2.3 GWh in 2023

Analysing the shares of the net electricity generation mix components for the period January–December 2025, it can be observed that the largest share, 32%, is represented by the Thermal component, followed by the Hydro component with 28%, while electricity generated from renewable sources and nuclear energy account for shares of 18% and 20%, respectively.

Over the three years presented, the shares for Thermal, Nuclear, and Renewables remained constant, while the Hydro category showed a steady decline. A significant increase in the total mix is represented by the prosumer category.

Figure 16: Generation Mix 2025–2023 (TWh)



National Generation Fleet

The installed capacity in thermal power plants recorded a decrease of approximately 11%, from 5,476 MW installed as of 1 January 2025 to 4,897 MW installed as of 1 January 2026.

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

As of January 1, 2026, the total installed gross capacity in the NPS (National Power System) was 19,368 MW, with the following structure by primary energy sources: coal – 2,095 MW (1,885 MW net), hydrocarbons – 2,802 MW (2,455 MW net), nuclear – 1,413 MW (1,300 MW net), hydro – 6,688 MW (6,432 MW net), wind – 3,136 MW (3,109 MW net), solar PV – 3,094 MW (3,008 MW net), biomass – 139 MW (134 MW net).

Regarding the installed capacity in storage facilities, as of December 5, 2025, it totaled 494 MW.

Number of Units	Installed Capacity [MW]
30	494

Regarding the installed power at prosumers, it amounts to 3,454 MW (as of 01.01.2026).

Number of Prosumers	Installed Capacity [MW]
295.476	3.454

The installed capacity for the January - December period during the 2023-2025 interval is shown in the table below:

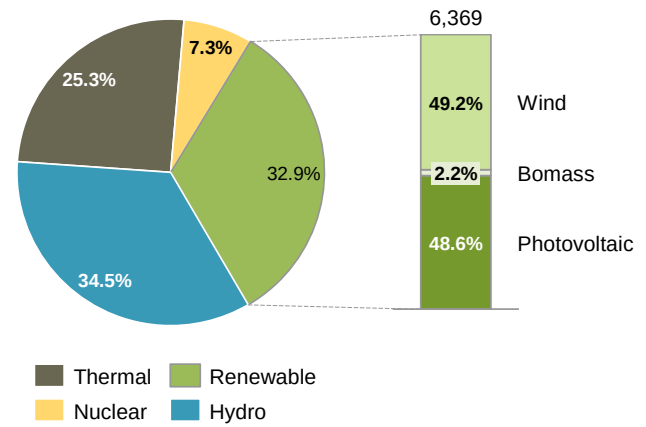
Table 14: Installed Capacity (gross values)

MW	2025	2024	2023
Termo	4,897	5,476	5,447
Nuclear	1,413	1,413	1,413
Hydro	6,688	6,633	6,643
Renewables	6,369	5,088	4,708
Total	19,368	18,610	18,210

The data presented reflect the generation capacities that hold a commercial operation licence. Generation units that are in the testing/commissioning period are not included in this situation.

The structure of the generation fleet in 2025 is presented below:

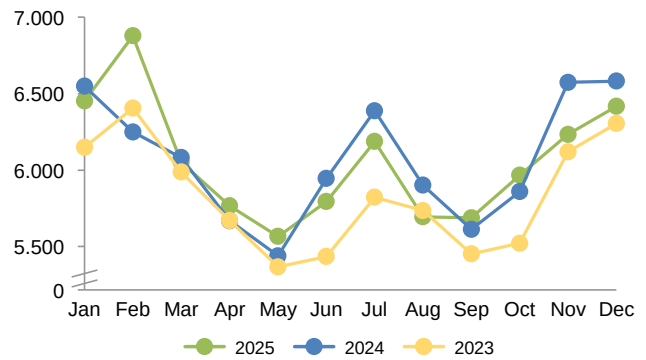
Figure 17: Installed Capacity 2025 (19,368 MW gross value)



Average and Maximum Consumption

The average net electricity consumption in 2025 was at a higher level during the period presented below:

Figure 18: Average Monthly Net Consumption (MWh/h)



The net maximum hourly consumption for 2025 reached its peak in February, following the trend of recent years where maximum values were recorded during the winter months.

Figure 19: Maximum Net Hourly Consumption (MWh/h)

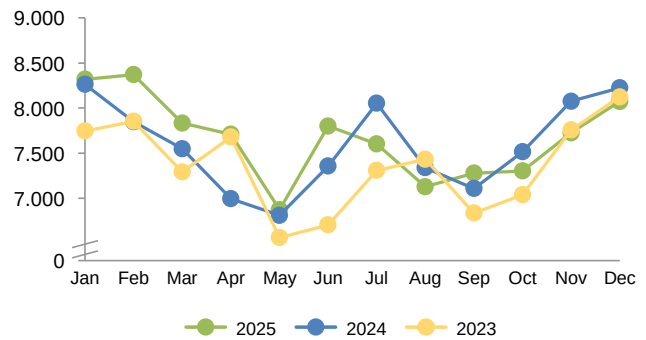


Table 15: Maximum Consumption

An	Lună	Valoare (MWh/h)
2025	Feb	8,370
2024	Ian	8,262
2023	Dec	8,123

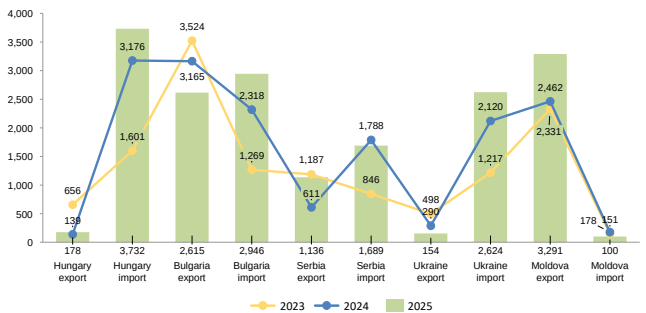
Cross-border flows

Physical cross-border flows recorded fluctuating developments across all borders during the three years.

The distribution of physical import flows (2025: 11.1 TWh, 2024: 9.6 TWh) / export flows (2025: 7.4 TWh, 2024: 6.7 TWh) on the interconnection lines for the January – December 2025 period compared to January – December 2024 is as follows:

- Exports decreased on the borders with Bulgaria and Ukraine and increased on the borders with Serbia, Hungary and Moldova, while
- Imports increased on the borders with Bulgaria, Hungary and Ukraine and decreased on the borders with Moldova and Serbia.

Figure 20: Physical Cross-Border Flows (GWh)



Specifically, compared with the January–December 2024 period, physical export flows decreased on the border with Bulgaria (-17%, -550 GWh) and Ukraine (-47%, -136 GWh), and increased on the border with Serbia (+86%, +526 GWh), Hungary (+28%, +38 GWh) and Moldova (+34%, +829 GWh).

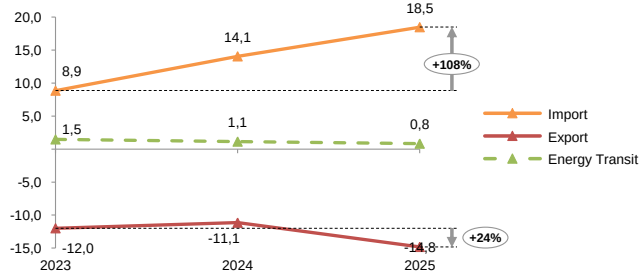
In 2025, a decrease in exports from the Czech Republic and Slovakia was observed in Central Europe, while in South-Eastern Europe, most countries were found to be importers, with the exception of Greece, Bulgaria, and Turkey.

Romania was a net exporter in 2023, but subsequently became a net importer in 2024 and 2025.

Total Allocated Capacity Usage

With regard to commercial flows, in 2024 compared to 2023, there was an increase of approximately 59% in import commercial exchanges and a decrease of 22% in transited energy.

Figure 21: Cross-Border Commercial Flows (GWh)



Compared to 2024, there was a 31% increase in commercial import exchanges and a 33% increase in commercial export exchanges, respectively, while transited energy decreased by 27%, against the background of lower domestic electricity consumption at the level of the National Power System (SEN) compared with the same period of the previous year, and under the conditions of hydraulicity variations during this period (compared with the previous year, much lower values were recorded in July 2025 and in the second half of September, and higher values during August 2025).

Commercial exchanges include the quantity of electricity imported and exported as a result of the participation of Transelectrica S.A., in its capacity as an operational member of the European Imbalance Netting (IGCC) platform, starting from 17 December 2021.

Table 16: Cross-border interconnections (use of total allocated capacity %)

Border	Direction	2025 [%]	2024 [%]	2023 [%]
Hungary	Export	100.00	100.00	100.00
	Import	100.00	100.00	100.00
Bulgaria	Export	27.76	28.98	29.00
	Import	34.14	34.79	29.09
Serbia	Export	16.47	26.48	46.37
	Import	22.15	32.14	34.22
Ukraine	Export	54.10	55.43	34.87
	Import	78.66	69.67	87.51

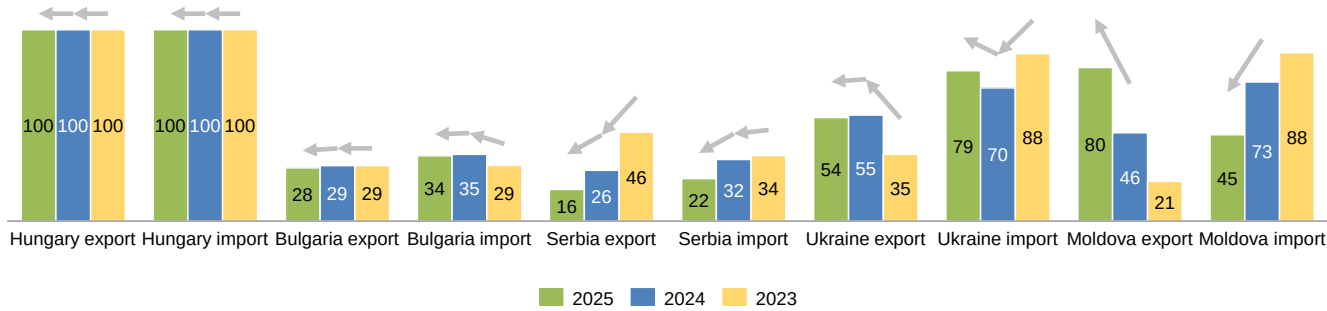
Note: The values presented in the table represent annual averages calculated as simple arithmetic means of the monthly average values

Commercial exchanges include the quantity of electricity imported and exported as a result of the participation of Transelectrica S.A., in its capacity as an operational member of the European Imbalance Netting (IGCC) platform, starting from 17 December 2021.

On the border with Hungary, the utilization rate is 100% for both imports and exports, given that short-term auctions are implicit (capacity and energy are allocated simultaneously).

Furthermore, starting from January 2023, long-term auctions have fully transitioned from the Physical Transmission Rights (PTR) allocation mechanism to the Financial Transmission Rights (FTR) mechanism (capacity allocated in annual and monthly auctions no longer represents a physical right that can be used by the participant, but only a financial right).

Figure 22: Utilisation rate of total allocated capacity (%)



Technological Own Consumption recorded in the Electric Transmission Network (ETN)

Own Technological Consumption (OTC) is a general performance indicator regarding the utilisation of the ETN, reported and monitored in accordance with the Performance Standard for the Transmission Service (ANRE Order No. 12/2016, as subsequently amended and supplemented).

OTC in the ETN is determined as the difference between the electricity injected into the ETN and the electricity withdrawn from the ETN, reported in relation to the electricity injected into the ETN, the ratio being expressed as a percentage.

The evolution of Technological Own Consumption (OTC) in the ETN is influenced by several factors independent of Transelectrica's activity, such as weather conditions, the structure of generation versus the location of consumption, and the physical import/export flows at the borders of the National Power System (SEN). The lowest values (reported relative to the energy entering the network perimeter) are recorded in dry years, when low hydraulicity leads to the operation of power plants whose primary energy source is natural gas. This results in a favourable generation structure, while Corona losses are reduced.

Network losses are influenced to the greatest extent by the distance between generation centres and consumption centres, therefore by the way in which load coverage is distributed among the generating units existing in the system, as well as by the volume and destination of international exchanges.

The installation of significant capacity in wind power plants in the Dobrogea region—an area with a power generation surplus—followed by a gradual and

The utilisation rate of total capacity rights on a given border and direction represents the ratio, expressed as a percentage, between the energy corresponding to the commercial exchanges carried out (notified) during a given month and the energy corresponding to the total capacity rights.

consistent reduction in production within already deficient areas, has led to a sharp polarization of generation nationwide, with over 70% being generated in the southern half of the country. Increased energy transits resulting from market coupling, alongside the reduction or stagnation of energy injected into the PTG (Power Transmission Grid) determined by domestic consumption trends and the import/export balance, were other factors that influenced the downward trend in grid losses.

Since 2020, investments in high-performance equipment have continued at a steady pace, and the trend for grid losses (CPT) as a share of the energy injected into the PTG has remained slightly downward.

This occurred amid fluctuating energy levels injected into the PTG due to domestic consumption volatility, driven first by coronavirus pandemic restrictions, then by rising electricity prices, and in the last two years by the emergence of prosumers, whose installed capacity is currently approaching 2,500 MW.

Deviations from this trend continue to be caused primarily by the evolution of physical import/export flows on interconnection lines and varying annual precipitation levels, which influence corona losses.

Table 17: OTC Evolution

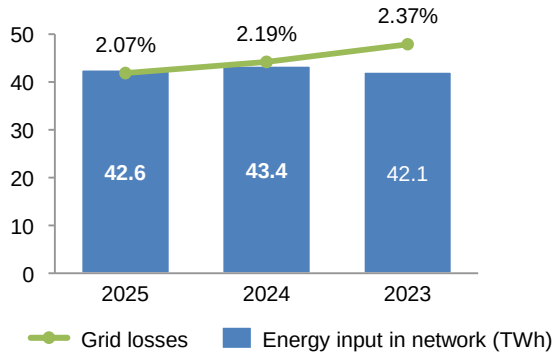
Indicator		2025	2024	2023
Energy injected into the network	GWh	42,610	43,381	42,146
Energy withdrawn from the network	GWh	41,727	42,432	41,147
Losses	GWh	883	949	999
OTC	%	2.07%	2.19%	2.37%

At the level of 2025, OTC in the ETN decreased by 7% compared with 2024 and by 12% compared with 2023, mainly as a result of more favourable physical

flows on the interconnection lines, which led to a reduction in long-distance electricity transmission from generation sources, as well as much more favourable meteorological conditions, characterised by higher precipitation levels that resulted in reduced corona losses.

Reported relative to the energy entering the ETN perimeter, losses decreased from 2.19% to 2.07%, under conditions in which the energy entering the ETN perimeter was 1.10% higher than in 2023.

Figure 23: Evolution of OTC relative to the energy entering the ETN



Due to its characteristics, Technological Own Consumption (OTC) in the Electric Transmission Network (ETN) is strongly dependent on meteorological conditions, the structure of electricity generation and consumption at national level, the distribution of electricity flows within the internal transmission network and on the interconnection lines with neighbouring power systems, its value being very little to not at all controllable under the conditions of an interconnected and coupled regional electricity market.

The factors that significantly influenced OTC during the January–December 2025 period, such as precipitation levels and the distribution of cross-border physical flows, are not under the control of Transelectrica.

Factors that determined the evolution of OTC

In January 2025, OTC decreased by 8% compared with January 2024, as a result of more favourable physical import/export flows on the interconnection lines at the borders with Ukraine, Hungary and the Republic of Moldova, which led to a reduction in long-distance electricity transmission from generation sources, as well as meteorological conditions characterised by lower precipitation levels, which resulted in reduced corona losses.

The percentage of losses relative to the energy injected into the ETN decreased from 2.25% in 2024 to 2.09% in 2025.

The energy entering the perimeter decreased by 0.8% in January 2025 (31.4 GWh) compared with the same

period of 2024, as a result of a 17.6% increase (583.5 GWh) in the energy received from producers connected to the ETN and a 29.4% increase (69 GWh) in the energy received from the distribution networks (DN), under conditions of a 119.2% increase (621.1 GWh) in the energy received from imports

In February 2025, OTC decreased by 9% compared with February 2024, as a result of more favourable physical import/export flows on the interconnection lines at the borders with Ukraine and Hungary, which led to a reduction in long-distance electricity transmission from generation sources, as well as much more favourable meteorological conditions, characterised by lower precipitation levels, which resulted in reduced corona losses.

The percentage of losses relative to the energy injected into the ETN decreased from 2.17% in 2024 to 1.95% in 2025.

The energy entering the perimeter increased by 1.2% (44.5 GWh) in February 2025 compared with the same period of 2024, as a result of a 133.7% increase (592.7 GWh) in the energy received from imports, under conditions of a 13.8% decrease (402.7 GWh) in the energy received from producers connected to the ETN and a 51.7% decrease (145.4 GWh) in the energy received from the distribution networks (DN).

In March 2025, OTC increased by 3.2% compared with March 2024, mainly as a result of less favourable physical import/export flows on the interconnection lines at the borders with Serbia and Bulgaria, which led to an increase in long-distance electricity transmission from generation sources, as well as less favourable meteorological conditions, characterised by higher precipitation levels, which resulted in increased corona losses.

The percentage of losses relative to the energy injected into the ETN increased from 2.24% in 2024 to 2.31% in 2025.

The energy entering the perimeter decreased by 0.2% (6.3 GWh) in March 2025 compared with the same period of 2024, as a result of a 14.5% decrease (412.2 GWh) in the energy received from producers connected to the ETN and a 4.3% decrease (11.2 GWh) in the energy received from the distribution networks (DN), under conditions of a 78.6% increase (417.2 GWh) in the energy received from imports.

In April 2025, OTC increased by 0.8% compared with April 2024, as a result of a 3.7% increase in the energy entering the ETN perimeter, under conditions in which physical import/export flows were more favourable on the interconnection lines at all borders except that with the Republic of Moldova, leading to a reduction in long-distance electricity transmission from

generation sources, while meteorological conditions were characterised by lower precipitation levels, which resulted in reduced corona losses.

The percentage of losses relative to the energy injected into the ETN decreased from 2.44% in 2024 to 2.37% in 2025. The energy entering the perimeter increased by 3.7% in April 2025 (116.7 GWh) compared with the same period of 2024, as a result of a 38% increase (256.2 GWh) in the energy received from imports, under conditions of a 9.9% decrease (29.3 GWh) in the energy received from the distribution networks (DN) and a 5.1% decrease (110.2 GWh) in the energy received from producers connected to the ETN.

In May 2025, OTC increased by 1.1% compared with May 2024, as a result of a 5.4% increase in the energy entering the ETN perimeter, as well as meteorological conditions characterised by higher precipitation levels, which led to increased corona losses, under conditions in which physical import/export flows were more favourable on the interconnection lines at all borders, resulting in a reduction in long-distance electricity transmission from generation sources.

The percentage of losses relative to the energy injected into the ETN decreased from 2.36% in 2024 to 2.27% in 2025. The energy entering the perimeter increased by 5.39% in May 2025 (160.8 GWh) compared with the same period of 2024, as a result of a 2.18% increase (42.6 GWh) in the energy received from producers connected to the ETN, a 14.88% increase (38.0 GWh) in the energy received from the distribution networks (DN), and a 10.33% increase (80.2 GWh) in the energy received from imports.

In June 2025, OTC decreased by 24.7% compared with June 2024, as a result of the decrease in the energy entering the ETN perimeter, more favourable physical import/export flows on the interconnection lines at the borders with Ukraine, Hungary and Serbia, which led to a reduction in long-distance electricity transmission from generation sources, as well as meteorological conditions characterised by lower precipitation levels, which resulted in reduced corona losses.

The percentage of losses relative to the energy injected into the ETN decreased from 2.21% in 2024 to 1.88% in 2025. The energy entering the perimeter decreased by 11.26% in June 2025 (375.8 GWh) compared with the same period of 2024, as a result of a 20.54% decrease (481.9 GWh) in the energy received from producers connected to the ETN, under conditions of a 7.64% increase (59.1 GWh) in the energy received from imports and a 21.41% increase

(46.6 GWh) in the energy received from the distribution networks (DN).

In July 2025, OTC decreased by 9.5% compared with July 2024, as a result of the decrease in the energy entering the ETN perimeter, under conditions in which physical import/export flows were more favourable on the interconnection lines at all borders except that with the Republic of Moldova, leading to a reduction in long-distance electricity transmission from generation sources.

The percentage of losses relative to the energy injected into the ETN decreased from 1.92% in 2024 to 1.84% in 2025. The energy entering the perimeter decreased by 5.34% in July 2025 (203.9 GWh) compared with the same period of 2024, as a result of an 11.35% decrease (305.9 GWh) in the energy received from producers connected to the ETN, under conditions of an 8.51% increase (83.5 GWh) in the energy received from imports and a 12.85% increase (18.5 GWh) in the energy received from the distribution networks (DN).

Weather conditions were characterised by slightly higher rainfall, leading to an increase in corona losses.

In August 2025, OTC increased by 3.96% compared with August 2024, as a result of a less favourable generation structure and less favourable physical import/export flows on the interconnection line with Ukraine, leading to an increase in long-distance electricity transmission from generation sources.

The percentage of losses relative to the energy injected into the ETN increased from 1.71% in 2024 to 1.89% in 2025. The energy entering the perimeter decreased by 6.35% in August 2025 (225.9 GWh) compared with the same period of 2024, as a result of a 6.52% decrease (164.3 GWh) in the energy received from producers connected to the ETN and an 11.09% decrease (101.8 GWh) in the energy received from imports, under conditions of a 33.25% increase (40.2 GWh) in the energy received from the distribution networks (DN). Meteorological conditions were similar in terms of precipitation levels.

In September 2025, OTC decreased by 6.87% compared with September 2024, as a result of the decrease in the energy entering the ETN perimeter, more favourable physical import/export flows on the interconnection lines at the borders with Hungary, Ukraine and Serbia, which led to a reduction in long-distance electricity transmission from generation sources, as well as meteorological conditions characterised by lower precipitation levels, which resulted in reduced corona losses.

The percentage of losses relative to the energy entering the ETN decreased from 2.05% in 2024 to

2.00% in 2025. The energy entering the perimeter decreased by 4.47% in September 2025 (155.2 GWh) compared to the same period in 2024, as a result of an 8.71% (222.7 GWh) decrease in energy received from producers connected to the ETN and a 7.79% (13.9 GWh) decrease in energy received from the RED, with an 11.01% (81.4 GWh) increase in energy received from imports.

In October 2025, OTC decreased by 19.8% compared with October 2024, as a result of the decrease in the energy entering the ETN perimeter, under conditions in which physical import/export flows were more favourable on the interconnection lines at all borders except that with Bulgaria, leading to a reduction in long-distance electricity transmission from generation sources.

The percentage of losses relative to the energy injected into the ETN decreased from 2.50% in 2024 to 1.96% in 2025.

The energy entering the perimeter increased by 2.17% in October 2025 (79.4 GWh) compared with the same period of 2024, as a result of a 1.70% increase (44.5 GWh) in the energy received from producers connected to the ETN and a 19.67% increase (40.4 GWh) in the energy received from the distribution networks (DN), under conditions of a 0.66% decrease (5.5 GWh) in the energy received from imports.

Meteorological conditions were characterised by significantly higher precipitation levels, resulting in increased corona losses.

In November 2025, OTC decreased by 1.03% compared with November 2024, as a result of the decrease in the energy entering the ETN perimeter, under conditions in which physical import/export flows were more favourable at the borders with Bulgaria, Serbia and the Republic of Moldova, and less favourable at the borders with Hungary and Ukraine.

The percentage of losses relative to the energy injected into the ETN decreased from 2.21% in 2024 to 2.20% in 2025.

The energy entering the perimeter decreased by 0.41% in November 2025 (15.9 GWh) compared with the same period of 2024, as a result of a 20.48% decrease (227.2 GWh) in the energy received from imports, under conditions of a 5.49% increase (142.1 GWh) in the energy received from producers connected to the ETN and a 39.75% increase (69.2 GWh) in the energy received from the distribution networks (DN).

Meteorological conditions were characterised by higher precipitation levels, resulting in increased corona losses.

In December 2025, OTC decreased by 9.29% compared with December 2024, as a result of the decrease in the energy entering the ETN perimeter, as well as meteorological conditions characterised by lower precipitation levels, which resulted in reduced corona losses, under conditions in which physical import/export flows were more favourable at the borders with Bulgaria, Serbia and the Republic of Moldova, and less favourable at the borders with Hungary and Ukraine.

The percentage of losses relative to the energy injected into the ETN decreased from 2.23% in 2024 to 2.11% in 2025.

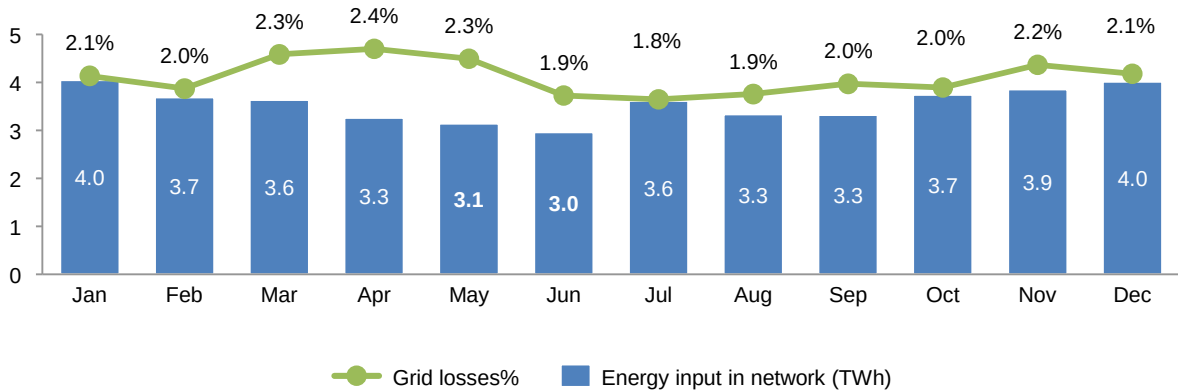
The energy entering the perimeter decreased by 3.8% in December 2025 (157.6 GWh) compared with the same period of 2024, as a result of a 27.28% decrease (346.6 GWh) in the energy received from imports, under conditions of a 5.28% increase (140.8 GWh) in the energy received from producers connected to the ETN and a 20.93% increase (48.1 GWh) in the energy received from the distribution networks (DN).

OTC %

Minimum level in 2025 – July: 1.8%

Maximum level in 2025 – April: 2.4%

Figure 24: Monthly evolution of OTC in 2025



Conclusions

Overall, in the first quarter of 2025, OTC in the ETN decreased by 4.7% compared with the same period of 2024, mainly as a result of more favourable physical flows on the interconnection lines at the borders with Ukraine, Hungary and Moldova, as well as more favourable meteorological conditions during the first two months, characterised by lower precipitation levels, which led to reduced corona losses. Reported relative to the energy entering the ETN perimeter, losses decreased from 2.22% to 2.11%.

Overall, in the first half of 2025, OTC in the ETN decreased by 6.1% compared with the same period of 2024, as a result of the decrease in the energy entering the ETN in June, but mainly due to more favourable physical flows on the interconnection lines, particularly those at the borders with Ukraine and Hungary, as well as more favourable meteorological conditions in January, February, April and June, characterised by lower precipitation levels, which led to reduced corona losses.

Reported relative to the energy entering the ETN perimeter, losses decreased from 2.27% to 2.14%, under conditions in which the energy entering the ETN in the first half of 2025 was only 0.4% lower than in the previous year.

Overall, in the third quarter of 2025, OTC in the ETN decreased by 4.6% compared with the same period of 2024, as a result of the decrease in the energy entering the ETN perimeter, more favourable physical flows on the interconnection lines overall, and more

favourable meteorological conditions in September, characterised by lower precipitation levels, which led to reduced corona losses. Reported relative to the energy entering the ETN perimeter, losses increased from 1.89% to 1.91%, under conditions in which the energy entering the ETN in the third quarter of 2025 was 5.39% lower than in the previous year.

Overall, in the fourth quarter of 2025, OTC in the ETN decreased by 10.2% compared with the same period of 2024, as a result of the decrease in the energy entering the ETN perimeter, more favourable physical flows on the interconnection lines overall, and more favourable meteorological conditions in December, characterised by lower precipitation levels, which led to reduced corona losses.

Reported relative to the energy entering the ETN perimeter, losses decreased from 2.31% to 2.09%, under conditions in which the energy entering the ETN was 0.8% lower than in the fourth quarter of 2024.

Overall, in 2025, OTC in the ETN decreased by 6.9% compared with 2024, as a result of the decrease in the energy entering the ETN perimeter, more favourable physical flows on the interconnection lines overall, and more favourable meteorological conditions in January, February, April, June, September and December, characterised by lower precipitation levels, which led to reduced corona losses.

Reported relative to the energy entering the ETN perimeter, losses decreased from 2.19% to 2.07%, under conditions in which the energy entering the ETN was 1.78% lower than in the previous year..

9. ETG Development

The Company's strategy regarding the development of the Electricity Transmission Grid (ETG) provides for the acceleration of investment projects aimed at the modernisation and reinforcement of the Electricity Transmission Grid, as well as the increase of interconnection capacity with countries within ENTSO-E and with those outside the European Union.

The acceleration of investments represents the top priority for the members of the Supervisory Board (SB) and the Board of Directors, being driven by the very financial circuit for determining financial performance, in accordance with the tariff-setting methodology approved by ANRE and applicable to the Company, which ensures the provision of funding sources for operational and investment activities.

In accordance with the powers and responsibilities established under the Electricity and Natural Gas Law No. 123/2012, as subsequently amended and supplemented, and the Specific Conditions associated with Licence No. 161 for the provision of the electricity transmission service, the provision of the system service and the administration of the balancing market, the Company plans the development of the Electricity Transmission Grid, taking into account the current status and the forecast evolution of consumption, the generation fleet and electricity exchanges, and prepares, every two years, a Development Plan covering the subsequent ten-year period.

Development Plan for ETG – 2024 – 2033 period

The latest edition of the Ten-Year Development Plan covers the 2024–2033 period. It was approved by ANRE through Decision No. 2715/2024. The General Meeting of Shareholders (GMS) of NPG CO. Transelectrica S.A. approved the main coordinates of the ETG Development Plan for the 2024–2033 period by Resolution No. 4/2024.

The Electricity Transmission Grid (ETG) Development Plan represents a particularly important document for the Company's activity, through which the development and modernisation projects of the Electricity Transmission Grid are identified and proposed for the following ten-year period.

The "Electricity Transmission Grid Development Plan – 2024–2033 Period" ("ETG Plan"), approved by ANRE, is based on analyses of the projected operating regimes of the National Power System (NPS), founded on scenarios regarding the evolution of consumption, the generation fleet and exchanges

with neighbouring systems, over the medium and long term.

The main objectives of the projects included in the ETG Development Plan are:

- Increasing the interconnection capacity with other power systems;
- Integrating generation from power plants located in the eastern and south-eastern areas;
- Integrating generation from power plants located in other areas;
- Ensuring the security of supply to consumption in deficit areas, in compliance with the regulated quality and security parameters;
- Refurbishment and modernisation of existing substations;
- Upgrading of metering, command and control systems, etc.

The generation fleet in the south-eastern area has experienced rapid development. Numerous wind and photovoltaic power plants have been commissioned, as well as multiple power plant projects that are necessary to achieve Romania's committed targets in the field of renewable energy. Two new nuclear units at the Cernavodă Nuclear Power Plant (NPP Cernavodă) are also envisaged.

Therefore, it is necessary to reinforce the internal network section that ensures the transmission of power towards the load centres in the rest of the country.

The development of generation capacities based on renewable energy sources leads to an intensification of cross-border electricity exchanges and to an increase in the variability of power flows over extensive regions.

The experience of recent years and the forecast for the upcoming period indicate a high level of loading of the Romanian network at the borders with Serbia and Hungary, both for exchanges between the National Power System (NPS) and these systems, as well as for transit flows crossing the NPS network.

In order to ensure the infrastructure required for electricity exchanges within the region, it is necessary to increase the exchange capacity at the western interface of the system.

Under the category of projects not included in the Development Plan but which may be incorporated subject to confirmation that the necessary decision-making stages have been completed at the level of the

relevant stakeholders, the Romania–Georgia submarine cable project and the Albertirsa (HU) – Arad (RO) 525 kV HVDC underground cable project have been introduced.

From the steady-state and static stability analyses, it resulted that the monitored sections S4 (the supply section of the north-western Transylvania area) and S5 (the supply section of the Moldova area) present a high risk of operation close to the maximum admissible power in the section, both in the medium and long term, thus demonstrating the necessity of reinforcing each of these sections.

In this regard, the reinforcement of the Electricity Transmission Grid by completing the 400 kV ring between the North-East and North-West areas of the National Power System (NPS) is beneficial in terms of increasing the static stability reserves for sections S4 and S5, as well as for section S3 (the common transmission section between the Dobrogea + Moldova areas and the rest of the NPS).

Several areas have also been identified where local security of supply issues are anticipated, requiring the installation of additional injection capacities from the 400 kV network into the lower-voltage network (Iernut, Sibiu).

Furthermore, the need for projects aimed at increasing the security of supply for consumers in the Bucharest metropolitan area has been identified.

The analyses carried out within ENTSO-E have indicated the necessity of increasing interconnection capacity at the borders with Serbia and Hungary, and

consequently, additional long-term projects have been included in the Development Plan.

Projects included in the Electricity Transmission Grid (ETG) Development Plan – 2024–2033 Period

By their nature, ETG infrastructure projects require a lengthy preparation and implementation period, such that their results become visible only after a certain number of years.

Experience shows that the usual full cycle of an investment project (starting from the initial design phase, preparation of the feasibility study, drafting of the technical specifications and the technical design, and up to execution and commissioning of the project) for the construction/refurbishment of an electrical substation averages 5 years, while for the construction of a new overhead power line it averages 9 years.

The Electricity Transmission Grid (ETG) Development Plan represents a particularly important document for the Company's activity, through which the development and modernisation projects of the Electricity Transmission Grid for the following ten-year period are identified and proposed, correlated with the forecast evolution of electricity consumption and in compliance with the technical regulations in force.

The following Electricity Transmission Grid (ETG) developments have been identified as main projects and their adequacy has been assessed, with the completion deadlines taking into account the timeframes required for the implementation of the investments:



Increase of Exchange Capacity at Romania's Western Interface

Considering the contribution to the implementation of the European Union's strategic priorities regarding trans-European energy infrastructure, the European Commission has included, on the fifth list of Projects of Common Interest (PCI), the following group of projects:

- PCI "Romania–Serbia Group, between Reșița and Pančevo", known as the "Mid Continental East Corridor", which includes the following projects of common interest:
- 400 kV double-circuit overhead line (OHL) Reșița (RO) – Pančevo (Serbia) – completed;
- 400 kV overhead line (OHL) Porțile de Fier – Reșița and the extension of the 220/110 kV Reșița substation through the construction of a new 400 kV substation;
- Upgrade to 400 kV of the 220 kV double-circuit overhead line (OHL) Reșița – Timișoara – Săcălaz – Arad, including the construction of the 400 kV substations at Timișoara, Arad and Săcălaz.

The following projects are also included:

- Installation of Circuit 2 of the 400 kV overhead line (OHL) Nădab – Békéscsaba;
- 400 kV overhead line (OHL) Porțile de Fier – Djerdap, Circuit 2 – resulting from the long-term analyses carried out within ENTSO-E;
- Reconductoring of the 220 kV overhead line (OHL) Porțile de Fier – Reșița;
- RO–HU Interconnection (new 400 kV overhead line (OHL) Oradea – Józsa (Debrecen South), new 400/220 kV power transformer (AT) at Roșiori, reconductoring of the 220 kV corridor Urechești – Târgu Jiu Nord – Paroșeni – Baru Mare – Hășdat) – resulting from the long-term analyses carried out within ENTSO-E.

Increase of Exchange Capacity at Romania's Southern Interface (border with Bulgaria) for the transmission of power from intermittent renewable sources installed on the Black Sea coast towards consumption and storage centres – the following network developments are planned:

- „The “Black Sea Corridor” cluster, which includes the following projects:
- 400 kV double-circuit overhead line (OHL) (one circuit equipped) Smârdan – Gutinaș;

- 400 kV double-circuit overhead line (OHL) Cernavodă – Stâlp, with one in/out loop at Gura Ialomiței.

➤ *For the increase of exchange capacity at the interface with the Republic of Moldova:*

- 400 kV single-circuit overhead line (OHL) Suceava (RO) – Bălți (RM);
- 400 kV single-circuit overhead line (OHL) Gădălin – Suceava (new OHL);
- 400 kV overhead line (OHL) Gutinaș – Strășeni (new OHL)

➤ *For the interconnection with Ukraine:*

- Installation of an optical ground wire (OPGW) on the 400 kV overhead line (OHL) Roșiori – Mukachevo.

In the next edition of the Development Plan, the upgrade to 400 kV of the Isaccea – South Ukraine overhead line (via Primorska) will be introduced, a project proposed for assessment also within the TYNDP.

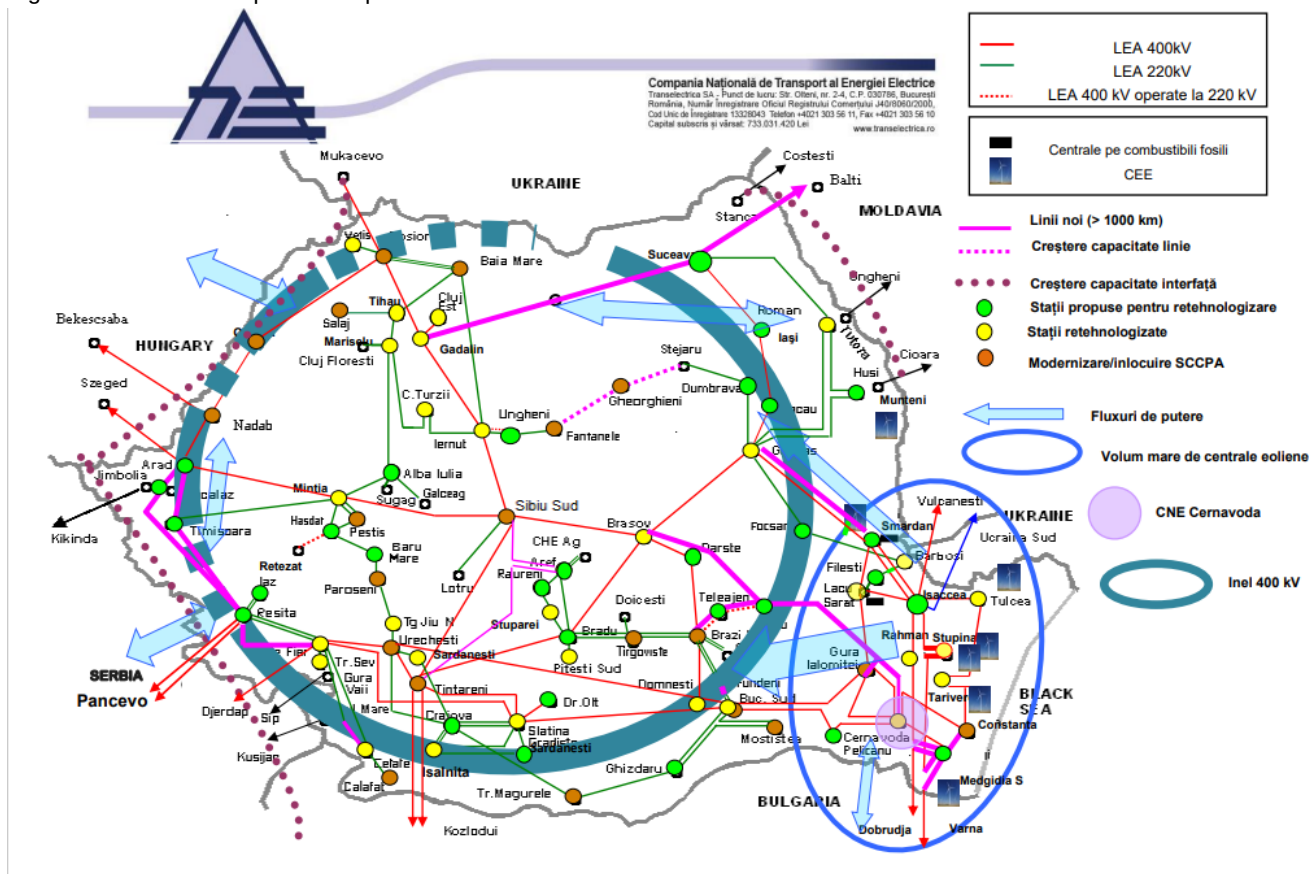
Increasing the transmission capacity between the eastern area (in particular Dobrogea) and the rest of the interconnected power system, as well as the integration into the system of power generated from renewable energy sources (RES) and other sources in Dobrogea

In order to strengthen the transmission capacity from Dobrogea towards the rest of the system, several transmission network reinforcement projects have been planned.

- In/out connection of the 400 kV overhead line (OHL) Stupina – Varna and the 400 kV overhead line (OHL) Rahman – Dobrudja at the 400 kV Medgidia Sud substation (Phase I – extension of the 400 kV Medgidia Sud substation and Phase II – implementation of the connections);
- OHL 400 kV s.c. Gădălin-Suceava;
- OHL 400 kV d.c. (1 c.e) Stâlp-Brașov;
- Upgrade to 400 kV of the Brazi Vest – Teleajen – Stâlp overhead line (OHL), including: procurement of AT4, 400 MVA, 400/220/20 kV at Brazi Vest, and associated extension works of the 400 kV and 220 kV substations at the 400/220/110 kV Brazi Vest substation; construction of the 400 kV Teleajen substation and refurbishment of the 110 kV substation; 400 kV double-circuit overhead line (OHL) (one circuit equipped) Medgidia Sud – Constanța Nord;
- Reconductoring of the 220 kV overhead line (OHL) Stejaru – Gheorghieni – Fântânele;

- Increase of transmission capacity on the 8 km section with smaller conductor cross-section of the 400 kV overhead line (OHL) București Sud – Pelicanu;
- Increase of transmission capacity on the 53 km section with smaller conductor cross-section of the 400 kV overhead line (OHL) Cernavodă – Pelicanu;
- Upgrade of the 400 kV overhead line (OHL) Isaccea – Tulcea Vest from single-circuit to double-circuit operation;
- Increase of transmission capacity of the 220 kV overhead line (OHL) Gutinaș – Dumbrava;
- Increase of transmission capacity of the 220 kV overhead line (OHL) Dumbrava – Stejaru;
- Increase of transmission capacity of the 220 kV overhead line (OHL) Fântânele – Ungheni;
- Increase of transmission capacity of the 400 kV overhead line (OHL) București Sud – Gura Ialomiței;
- Increase of transmission capacity of the 400 kV overhead line (OHL) Brașov – Gutinaș;
- Reconductoring of the 220 kV overhead line (OHL) București Sud – Fundeni.
- Installation of new Transformer 3, 400/110 kV, at Medgidia Sud;
- Installation of new Transformer 3, 400/110 kV, at Smârdan;
- Equipping of Circuit 2 for the new 400 kV overhead line (OHL) Smârdan – Gutinaș;
- Power flow control devices to prevent overloading on the 220 kV overhead line (OHL) București Sud – Fundeni.
- Modern voltage control equipment (SVC) at the following substations: 400 kV Gura Ialomiței, 400 kV Arad, 220 kV Brazi Vest.

Figure 25: ETG Development Requirements 2024–2033



Integration into the NPS of Power Generated from Other Power Plants

The following works are scheduled:

- For the safe evacuation of power from HPP Porțile de Fier II, it was agreed with S.C. Hidroelectrică S.A. to evacuate at 220 kV, through the construction of the 220 kV

Ostrovl Mare substation and the 220 kV double-circuit overhead line (OHL) Ostrovl Mare connection to the 220 kV Porțile de Fier – Cetate OHL

For the evacuation of power from wind power plants (WPPs) in the southern part of the country, the following projects have been introduced:

- Reconductoring of the 220 kV overhead line (OHL) Turnu Măgurele – Ghizdaru;
- Reconductoring of the 220 kV overhead line (OHL) Turnu Măgurele – Craiova Nord;
- Reconductoring of the 220 kV double-circuit overhead line (OHL) București Sud – Ghizdaru.
- Installation of an additional 220/110 kV power transformer (AT) at the Stupărei substation
- Power flow control devices to prevent overloading on the 220 kV overhead line (OHL) Urechești – Târgu Jiu Nord – Paroșeni – Baru Mare – Hășdat, pending the completion of the reconductoring works;
- 220 kV double-circuit overhead line (OHL) București Sud – Ghizdaru

Security of Supply

- Increasing the operational security of the Argeș–Vâlcea network area through the construction of a new 400 kV Arefu substation, one 400/220 kV, 400 MVA autotransformer (AT), and connection to the 400 kV Țânțăreni – Sibiu Sud overhead line (OHL) via an approximately 0.05 km 400 kV double-circuit overhead line (OHL);
- Installation of a new 220/110 kV, 400 MVA autotransformer at the 220/110 kV Fundeni substation, in order to increase the security of supply for consumers in the north-eastern area of the Municipality of Bucharest connected to the 220/110/10 kV Fundeni substation.
- Installation of a new 400/110 kV, 250 MVA transformer at the 400/220/110 kV București Sud substation, in order to increase the security of supply for consumers in the southern area of the Municipality of Bucharest connected to the 400/220/110/10 kV București Sud substation
- 400/110 kV substation at Grozăvești, connected via a 400 kV underground cable line (UGC) to the 400 kV București Sud and Domnești substations, and two 100 MVar shunt reactors installed at 400 kV in the 400 kV Grozăvești substation
- 400/110 kV substation at Fundeni, connected also through a new 400 kV overhead line (OHL) Fundeni – Brazi Vest and via an in/out connection to the 400 kV București Sud – Gura Ialomiței OHL by means of a 400 kV double-circuit OHL, and the installation of a 100 MVar shunt reactor in the new 400 kV substation;
- 220/110 kV injection substation from the 220 kV Baia Mare – Iernut OHL into the distribution network (DN);
- 400/110 kV Bistrița injection substation from the 400 kV Suceava – Gădălin OHL into the distribution network (DN);
- 400/110 kV transformer at Calea Aradului.

Refurbishment and Modernisation of Existing Substations

A significant number of existing substations are/will be included in a sustained programme for the refurbishment and modernisation of installations and equipment.

The overhead lines and substations comprising the national transmission system were predominantly constructed during the period 1960–1980, at the technological level specific to that time.

The actual technical condition of the installations has been maintained to date at an appropriate level, both through the maintenance programme carried out and through a sustained programme of refurbishment and modernisation of installations and equipment.

Over the next ten years, the refurbishment projects currently underway will be completed and new projects will be initiated, in compliance with the prioritisation based on the technical condition and importance of the substations:

- Replacement of autotransformers (AT) and transformers (T) in substations – Phase 3:
- 220/110 kV, 200 MVA autotransformers (AT): Târgu Jiu Nord, Sărdănești, Suceava, Dumbrava, Grădiște (AT2); FAI (AT2);
- 220/110 kV, 100 MVA autotransformer (AT) at Tihău;
- Transformer 2, 110/20 kV, 40 MVA at the Târgu Jiu Nord substation and Transformer 2, 110/10 kV, 40 MVA at the Cluj Est substation; 110/20 kV, 40 MVA transformers T1 and T2 at the Cluj Florești substation;
- T2, 110/20 kV, 25 MVA at the Sălaj substation; T2, 110/20 kV, 25 MVA at the Câmpia Turzii substation; T2, 110/20 kV, 25 MVA at the Turnu Severin Est substation; Transformer T1, 110/20 kV, 20 MVA at the Turnu Severin Est substation;
- Replacement of the 220/110 kV, 200 MVA autotransformer (AT) at Stupărei
- Refurbishment of the 400/110 kV/MV Smârdan substation;
- Refurbishment of the 220/110 kV/MV Baru Mare substation;
- Refurbishment of the 220/110 kV Filești substation;
- Pilot Project – Refurbishment of the 220/110/20 kV Alba Iulia substation under a digital substation concept (DigiTEL Alba Iulia pilot project);
- Refurbishment of the 110/20 kV Medgidia Sud substation;

- Refurbishment of the 400 kV Isaccea substation (Phase II);
- Refurbishment of the 400/110 kV Pelicanu substation;
- Modernisation of the 110 kV and 400 (220) kV installations at the Focșani Vest substation;
- Refurbishment of the 400/110 kV Darste substation
- Modernisation of the 220 kV and 110 kV command, control, protection and metering system at the 220/110/20 kV substation, as well as refurbishment of the medium-voltage installations and DC and AC auxiliary services at the 220/110/20 kV Ghizdaru substation.;
- Modernisation of the 400/110/20 kV Drăgănești Olt substation;
- Modernisation of the 220/110/20 kV Grădiște substation;
- Modernisation of the 220/110/20 kV Fântânele substation;
- Modernisation of the 220/110 kV Calafat substation;
- SCADA modernisation at the 400/110/20 kV Oradea Sud substation;
- Modernisation/replacement of the command, control and protection system in the following substations: 400/220 kV Roșiori, 220/110/20 kV Sălaj, 220/110 kV Baia Mare 3, 220/110 kV Cluj Florești, 400 kV Țânțăreni, 220/110 kV Paroșeni, 220/110 kV Peștiș, 400 kV Calea Aradului, 400/220/110 kV Mintia, 220/110/20 kV Târgoviște, 400 kV Cernavodă, 400/110/20 kV Sibiu Sud, 220/110/20 kV Gheorgheni, 400 kV Gădălin.
- Installation of two modern reactive power compensation systems at the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu substations;
- Procurement and installation of 21 monitoring systems for transformer units in Transelectrica substations (DigiTEL Trafo Expert Project);
- Modernisation of the 400/220/110 kV Urechești substation;
- Replacement of Transformer No. 4 – 250 MVA, 400/110 kV, at the 400/110 kV Drăgănești Olt substation.
- Replacement of Transformer 1 and Transformer 7 at the Cluj Est substation;
- Replacement of Transformer 2, 400/110 kV, at the Smârdan substation
- Replacement of Transformers T1 and T2, 400/110 kV, at the Constanța Nord substation
- Procurement and installation of a 100 MVar shunt reactor at the 400 kV Porțile de Fier substation;

- Optimisation of voltage control and of the electricity quality parameter by installing FACTS-type equipment at the Gutinaș, Suceava and Roșiori substations.
- Optimisation of the operation of existing 400 kV overhead lines (OHLs) within the National Power System (NPS) used for interconnection, for the evacuation of power from the Cernavodă Nuclear Power Plant (NPP) and renewable energy plants in Dobrogea, through the installation of online monitoring systems (DigiTEL Smart Lines Project);
- Increasing safety in operation and maintenance activities at the Domnești substation through the use of digital technologies (DigiTEL Smart Vision pilot project);
- „Pilot Project – Refurbishment of the 220/110/20 kV Mostiștea substation under a digital substation concept and with reduced environmental impact” – DigiTEL Green

Electricity Transmission Grid (ETG) Development Plan – 2026–2035 Period

In 2025, the ETG Development Department prepared the Electricity Transmission Grid Development Plan for the 2026–2035 period. It underwent the following procedural stages:

- it was endorsed by the Technical and Economic Committee (CTES) of Transelectrica on 30 July 2025;
- it was subject to public consultation during the period 13 August – 13 September 2025, through publication on the website www.transelectrica.ro
- it was approved by the General Meeting of Shareholders (GMS) on 28 November 2025, in accordance with the applicable legal provisions and corporate governance requirements.

Subsequently, the Company submitted to ANRE the approved version of the Electricity Transmission Grid (ETG) Development Plan for the 2026–2035 period for endorsement; it is currently under review by ANRE.

The Electricity Transmission Grid Development Plan for the 2026–2035 period has been prepared by the Company in accordance with its mission and vision, taking into account Romania's economic development outlook and the developments in the energy sector.

The document complies with the content requirements set out in ANRE Order No. 98/2022 on the approval of the Procedure for the substantiation and approval of the development and investment plans of the transmission and system operator and of the electricity distribution operators.

The purpose of the Electricity Transmission Grid (ETG) Development Plan is to define a long-term vision (2026–2035) regarding the development of the electricity transmission infrastructure, by establishing strategic objectives and the corresponding courses of action.

It substantiates the major investment projects required for the modernisation, expansion and digitalisation of the Electricity Transmission Grid, with a view to ensuring a secure, efficient, resilient and interoperable National Power System, in accordance with the requirements of the energy transition and the relevant European standards.

The ETG Development Plan also includes the sources of financing for the investments, together with an estimated implementation schedule.

The Electricity Transmission Grid (ETG) Development Plan for the 2026–2035 period has been developed within a complex European strategic context, in which the energy policies of the European Union play a key role in shaping the future of the energy sector. In this regard, Transelectrica's development objectives are designed in full alignment with the EU's strategic directions, directly targeting:

- Diversification of energy sources and enhancement of energy security, through the strengthening of the transmission network and the development of interconnection capacities with the power systems of the Member States;
- Development of an integrated internal energy market, through the modernisation of the Electricity Transmission Grid (ETG) and the facilitation of electricity market coupling across all timeframes.
- Increasing energy efficiency and supporting a sustainable economy, through investments in smart infrastructure and advanced technologies, monitoring and control systems, with the objective of reducing energy losses and maximising resource utilisation;
- Decarbonisation of the National Power System, through the integration of energy from renewable sources and ensuring their access to the network, thereby supporting the achievement of the climate targets established under the Paris Agreement and the European Green Deal.

- Promotion of research, innovation and digitalisation, through the implementation of pilot projects, the adoption of emerging technological solutions and the Company's digital transformation, in line with the European agenda on the energy transition and competitiveness.

Its specific objectives reflect these European directions and include:

- Ensuring the secure operation of the National Power System (NPS) and the provision of the transmission service in compliance with regulated quality standards;
- Development of the Electricity Transmission Grid (ETG) in line with forecasts of electricity consumption, generation, import, export and transit;
- Increasing interconnection capacities and integration into the European single energy market.
- Facilitating the integration of renewable energy sources into the network and their efficient transmission to consumption areas;
- Improving energy efficiency and optimising investments;
- Promoting fair and non-discriminatory access to the network;
- Implementing digital and innovative solutions through the Digital Transformation Programme.

This integrated approach positions Transelectrica as a key player in the implementation of Romania's energy transition and in achieving the energy security, sustainability and competitiveness objectives established at the level of the European Union.

Comparative analysis of the investment projects included in the current edition of the 2026–2035 Development Plan as compared to the previous edition of the ETG Development Plan, covering the 2024–2033 period

During the reference period elapsed since the approval of the previous edition of the Development Plan, NPG CO. Transelectrica S.A. has completed a series of strategic investments, essential for strengthening the electricity transmission infrastructure, increasing security of supply and facilitating the energy transition:

Refurbishment/Modernisation of the Electricity Transmission Grid (ETG)

- Refurbishment of the 220/110 kV Filești transformer substation;
- Refurbishment of the 220/110/MV kV Baru Mare transformer substation;

Security of Supply:

- Increasing the operational security of the Argeș – Vâlcea network area through the construction of the 400 kV Arefu substation and the installation of a 400 MVA, 400/220 kV autotransformer (AT);

Integration of Generation from New Power Plants – Dobrogea and Moldova:

- Increase of transmission capacity on the 8 km section of the 400 kV overhead line (OHL) București Sud – Pelicanu;
- Increase of transmission capacity of the 220 kV overhead line (OHL) Stejaru – Gheorgheni – Fântânele;
- Connection of the 400 kV overhead line (OHL) Stupina – Varna and the 400 kV overhead line (OHL) Rahman – Dobrudja to the 400 kV Medgidia Sud substation. Phase II – 400 kV double-circuit OHL connections to the Medgidia Sud substation;
- Refurbishment of the 400 kV Medgidia Sud substation and implementation of in/out connections of the 400 kV OHL at the Medgidia Sud substation;

Integration of Generation from Power Plants – Other Areas

- 220 kV double-circuit overhead line (OHL) Ostrovu Mare – ETG;

Increase of Interconnection Capacity and Integration of Generation from Renewable Energy Sources (RES):

- Upgrade to 400 kV of the Porțile de Fier – Reșița – Timișoara – Săcălaz – Arad corridor – Phase I: 400/220/110 kV Reșița substation;
- Extension of the 400 kV Gura Ialomiței substation with two bays: 400 kV Cernavodă 3 OHL and 400 kV Stâlpu OHL;

In the current edition of the Development Plan, covering the 2026–2035 period, the following new investment projects have been introduced:

Refurbishment/Modernisation of the Electricity Transmission Grid (ETG):

- Replacement of AT2, 200 MVA, at the 220/110/20 kV Turnu Măgurele substation

- Procurement and installation of AT4, 400 MVA, 400/220 kV, at the 400/220/110 kV Mintia substation;
- Modernisation of the 400/110/20 kV Drăgănești-Olt substation;
- Modernisation of the command, control and protection system at the 400/110/20 kV Tulcea Vest substation;
- Modernisation of the command, control and protection system at the 400/110 kV Constanța Nord substation;
- Modernisation of the command, control, protection and automation system at the 400/220/110 kV București Sud substation;
- Modernisation of the command, control, protection and automation system at the 400/110/20 kV Gura Ialomiței substation;
- Modernisation of the command, control, protection and automation system at the 220/110/20 kV Turnu Măgurele substation.
- DigiTEL Next-Gen Power Grid – Optimisation of operation activities in NPG CO. Transelectrica S.A. substations through the use of Digital Twin technology and autonomous robotic systems;
- Optimisation of the operation of overhead power lines through the extension of the DigiTEL Smart Lines online monitoring system – Phase 2;

Siguranța Security of Supply:

- Reconductoring of the 220 kV double-circuit overhead line (OHL) Brazi Vest – Fundeni
- New autotransformer (AT2), 220/110 kV, 200 MVA, at Stupărei
- New transformer (T2), 400/110 kV, 250 MVA, at Stâlpu;
- New transformer, 400/110 kV, 250 MVA, at Dârste;
- Installation of a reactive power compensation reactor at the new 400/110 kV Botoșani substation;
- Installation of a reactive power compensation reactor at the new 400 kV Bistrița substation;
- Installation of a reactive power compensation reactor at the new 400 kV Stâlpu substation;
- Installation of two reactive power compensation reactors at the 400/220/110 kV București Sud substation;

Integration of Generation from New Power Plants – Dobrogea and Moldova

- Increase of transmission capacity of the 400 kV overhead line (OHL) Brașov – Sibiu Sud;

Integration of Generation from Power Plants – Other Areas

- Increase of transmission capacity of the 220 kV overhead line (OHL) Mintia – Alba Iulia;
- Reconductoring of the 220 kV overhead line (OHL) Cetate – Calafat;
- Reconductoring of the 220 kV overhead line (OHL) Alba Iulia – Cluj Florești;
- Reconductoring of the 220 kV connection – București Sud – Mostiștea tee-off;
- Increase of transmission capacity of the 220 kV double-circuit overhead line (OHL) Lotru – Sibiu Sud;
- New autotransformer (AT4), 400/220 kV, 400 MVA, at Arefu.

As compared to the previous edition of the ETG Development Plan 2024–2033, no investment projects have been excluded in the current edition of the ETG Development Plan.

Digitalisation of the Electricity Transmission Grid (ETG)

In 2025, within the Company, through the OMEPA Metering Board of Directors, the implementation of the new Power Quality Monitoring System (PQMS) was carried out, under the project “Digitalisation of the ETG through the installation of two online systems for wholesale electricity metering and measurement data management, and for power quality monitoring”, by completing the following key stages:

- Endorsement of the detailed technical execution documentation for the IT platform at the central point of the PQMS system and for the substations within the operational areas of STT Cluj Napoca, STT Sibiu, ST Bucharest, STT Craiova and STT Bacău;
- Performance of the Factory Acceptance Testing (FAT) stages for the power quality analysers assigned to the substations of STT Cluj Napoca, STT Sibiu, ST Bucharest, STT Craiova and STT Bacău, for the telecommunications cabinets and analyser cabinets assigned to the substations of STT Cluj Napoca, STT Sibiu, ST Bucharest and STT Bacău, as well as for the IT platform at the central PQMS point.

The installation stages of the equipment at the central PQMS point and in the following substations: Cluj Est, Roșiori, Oradea Sud, Baia Mare, Cluj Florești, Sălaj, Vetiș, Gădălin, Tihău, Câmpia Turzii, Dârste, Brașov, Iernut, Ungheni, Fântânele, Gheorgheni, Sibiu Sud, Alba Iulia, Gura Ialomiței, Pelicanu, Târgoviște, Mostiștea, București Sud, Domnești and Sărdănești, with handover-acceptance minutes being concluded upon completion of works for all these locations, and Site Acceptance Tests (SAT) having been performed.

The Power Quality Monitoring System (PQMS) has been designed in accordance with the latest requirements in the field of power quality monitoring, process IT systems and cybersecurity. The project provides for: the development of the IT platform at the central point; the replacement of existing power quality analysers that have exceeded their service life; the installation of new analysers and the extension of monitoring to additional points of interest; as well as the upgrading of existing analysers to ensure compliance with the current requirements in the field of power quality monitoring.

The purpose of the Power Quality Monitoring System is to extend power quality monitoring to all substations within the Electricity Transmission Grid (ETG), as well as to all interconnection substations of the National Power System (NPS) with neighbouring power systems.

Also in 2025, the preliminary stages for the conclusion of the contract for the procurement of “Three-phase electricity meters for the connection of ETG users” were carried out.

As a forward-looking element for 2026, following the tenders conducted in 2025 under the State aid scheme in the form of Contracts for Difference for the production of electricity from onshore wind and solar photovoltaic renewable energy sources, OPCOM S.A. transmitted to OMEPA the list of producers with whom it has concluded Contracts for Difference.

According to the target commissioning dates of the respective power plants, starting with the third quarter of 2026, OMEPA shall transmit on a monthly basis to OPCOM the data related to the producers that have concluded Contracts for Difference.

9.1. Annual Investment Program

The breakdown of investment expenditures for the period 2025–2023, by the main chapters of the Annual Investment Program correlated with the main chapters

of the Company's Development Plan, is presented as follows:

Table 18: Value of Investments Implemented in 2025–2023

	Cost Categories	2025* Planned (RON million)	2025 Achieved (million RON)	2024 Achieved (million RON)	2024 Achieved (million RON)
	Grand Total (A+B)	715.89	691.05	665.70	471.95
A	Company's Own Expenditures	613.00	594.22	619.06	427.23
I	Ongoing Investments	554.89	538.24	597.85	402.37
II	New Investments	17.25	16.51	5.46	5.58
III	Other Investment Expenditures	40.86	39.47	15.75	19.28
B	Investments Financed from the Connection Tariff	102.89	96.82	46.64	44.71

(*)Annual Investment Program (AIP) 2025, rev. A6

The level of achievement of the Annual Investment Program as at 31 December 2025 is 104.9% compared to the 2025 AIP approved by the GMS and 96.5% compared to the 2025 AIP Revision A6 at the level of the Grand Total, and 96.9% for the category Company's Own Investment Expenditures (under the conditions where the value approved for the Company's own investment expenditures remained unchanged in the AIP Revision A6 as compared to the AIP approved by the GMS).

The actual value of ongoing investments amounts to RON 538.243 million and represents 90.6% of the Company's own investment expenditures implemented in 2025.

The actual value of investments financed from the connection tariff amounts to RON 96.823 million, corresponding to requests for the execution of network relocation works or for the connection to the grid of certain producers.

The Investment Program for 2025 was revised six times by 31 December 2025.

In 2025, three design and works execution contracts were concluded for investment objectives financed through the Modernisation Fund, as well as three

design and works execution contracts for investment objectives financed through the National Recovery and Resilience Plan (NRRP).

The Company's Development Plan for the next 10 years includes a comprehensive investment program aimed at strengthening energy security, advancing digitalisation and implementing the SMART GRID concept, which will generate, on the one hand, an increase in the capacity to integrate renewable energy into the system and, on the other hand, an increase in interconnection capacity.

With regard to the capability of the Transmission Network (ETG) to integrate new generation units from renewable sources, reference should be made to the wind and solar potential of the regions of Dobrogea (south-eastern part of the country) and Banat (south-western part of the country).

These regions, which are already congested, no longer allow the integration of additional capacities; however, taking into account the investments currently under implementation as well as those planned solely for these two regions, by 2027 approximately 5,000 MW of additional capacity will become available.

Brief description of the main projects initiated in 2025

400 kV Stâlpu Substation and Modernisation of 110 kV and Medium-Voltage Bays in the Stâlpu Substation – works

Project Goal:

The 220/110/20 kV Stâlpu Substation was designed in 1971, constructed during the period 1974–1977 and connected to the National Power System (NPS) in 1977.

The refurbishment of this substation, through the use of 400/110/20 kV voltage transformation ratios, is required in order to increase the power evacuation routes for the electricity generated in the South-Eastern area of the National Power System (NPS).

Thus, whereas at present the electrical connection scheme of the 220 kV substation is limited to one 220 kV overhead line (OHL) bay Stâlpu – Teleajen and one 220/110 kV, 200 MVA autotransformer bay, by

upgrading the substation to the 400 kV voltage level, the electrical connection scheme will allow the connection of the 400 kV double-circuit overhead line (OHL) Cernavodă – Stâlpu (one direct circuit and one circuit with in-and-out connection at the 400 kV Gura Ialomiței Substation).

Project description:

The project provides for the construction of a 400 kV substation using GIS technology (installed on the existing premises, within the current site of the 220 kV substation, without the need to acquire additional land) and for the modernisation of the 220/110/20 kV Stâlpu Substation for the 110 kV and 20 kV voltage levels.

Upon completion of the upgrading works to the 400 kV voltage level, the 400/110/20 kV Stâlpu Substation will meet the requirements imposed by the operation of the National Power System (NPS) under safe operating conditions.

Upgrade of the Teleajen Substation to 400 kV and Refurbishment of the 110 kV Teleajen Substation

Project Goal:

The project “Upgrade of the Teleajen Substation to 400 kV and Refurbishment of the 110 kV Teleajen Substation” forms part of the investment “Upgrade to 400 kV of the 220 kV OHL Brazi Vest - Teleajen - Stâlpu”, including the “Procurement of a 400 MVA 400/220/20 kV Autotransformer (AT) and associated extension works of the 400 kV and 220 kV substations at the 400/220/110 kV Brazi Vest Substation”.

The upgrading to the 400 kV voltage level of the Brazi Vest - Teleajen - Stâlpu overhead line falls within the category of investments ensuring the transmission of electricity generated in Dobrogea to the Muntenia area.

The 400/110 kV Teleajen Substation is a node within the 400 kV transmission network Cernavodă - Stâlpu - Teleajen - Brazi Vest, with the capability to perform synchronisation manoeuvres. The purpose of the present works consists in upgrading the existing 220 kV substation to the 400 kV voltage level and refurbishing the 110 kV substation, which will be equipped with conventional outdoor equipment.

The modernisation works of the existing 220/110 kV Teleajen Substation are intended to bring the installations to a level of safety and reliability appropriate to the energy requirements of the area, through the use of current state-of-the-art technologies available worldwide.

Project description:

The solution selected for the modernisation of the 220 kV substation consists in the complete replacement of the primary equipment (including the 200 MVA autotransformer with two 400/110 kV - 250 MVA transformer units) and the implementation of a state-of-the-art command-control-protection, metering and teleprotection system, including the associated low-voltage (LV) cables, in compliance with TEL's strategies regarding the remote control of substations within the Transmission Network (ETG). The solution selected for the refurbishment of the 110 kV substation consists in the partial replacement of the primary equipment (reusing the outgoing line circuit breakers and disconnectors within the Refinery 1 and 2 OHL bays and the Petrochemistry 1 and 2 OHL bays) and the partial replacement of the command-control-protection system (with the reuse of the existing MICOM P543 relays, which will be upgraded to the IEC 61850 communication protocol), as well as of the metering system, including the associated low-voltage (LV) cables, in compliance with TEL's strategies regarding the remote control of substations within the Transmission Network (ETG). Upon completion of the modernisation works, two new three-phase transformer units, rated at 250/250/80 MVA, 400/110/20 kV, will be in operation at the 400/110 kV Teleajen Substation.

Modernisation of the 220/110 kV Calafat Substation

400 kV OHL Suceava – Bălți, for the section of the project located on the territory of Romania

Project Goal:

The construction of the 400 kV OHL Suceava – Bălți is necessary for the interconnection of the power system of the Republic of Moldova with ENTSO-E.

The proposed project has the particular characteristic of carrying out activities and undertaking obligations in two neighbouring geographical areas, physically separated by the Prut River and independent from a jurisdictional and territorial perspective: Romania (a full Member State of the European Union) and the Republic of Moldova (a strategic partner of the European Union).

The promoter and concessionaire of the section of the 400 kV OHL Suceava (RO) – Bălți (MD) located on the territory of Romania is NPG CO. Transelectrica S.A. (which holds the status of TSO in Romania), while Î.S. Moldelectrica (which holds the status of TSO in the Republic of Moldova) is the promoter of the section located on the territory of the Republic of Moldova.

The new 400 kV OHL Suceava (RO) – Bălți (MD) will ensure the integration into the transmission network of electricity generated from renewable sources in the Eastern and South-Eastern regions of Romania and, following the completion of the 400 kV ring of Romania (horizon 2030), will enable a more efficient transfer of electricity between Romania and the Republic of Moldova, eliminating the current disadvantages arising from the existence of a single 400 kV transfer route.

The project originated as a result of the documents concluded between Moldelectrica and Transelectrica during the period 2006–2008, aimed at accelerating the integration of renewable energy sources and facilitating cross-border electricity exchanges.

Project description:

The 400 kV OHL Suceava – Bălți will be implemented as a single-circuit line and will cross, on the territory of Romania, 17 administrative-territorial units in Suceava and Botoșani counties, with an approximate length of 93 km on the territory of Romania.

Modernisation of the 220 kV Ostrovu Mare Substation

Project Goal:

The 220 kV Ostrovu Mare Substation will be located in Mehedinți County, in the vicinity of the existing 110/20/6 kV Ostrovu Mare Substation, which is situated in the immediate proximity of the Iron Gates II Hydropower Plant (CHE Porțile de Fier II).

The energy analysis of the Porțile de Fier I, Cetate, Calafat, Halânga and Porțile de Fier II – Gogoșu area highlighted the necessity of changing the solution for evacuating the electricity generated at the Iron Gates II Hydropower Plant (CHE Porțile de Fier II) to the National Power System (NPS), by constructing a new 220 kV switching substation at Ostrovu Mare, connected through a new 220 kV double-circuit overhead line (OHL) to the existing 220 kV double-circuit OHL Porțile de Fier – Cetate (circuit 1).

Project description:

The 220 kV substation configuration will consist of a single busbar scheme sectionalised by means of a longitudinal bus-coupler equipped with a circuit breaker, to which the following bays will be connected:

- 2 line bays (220 kV OHL Porțile de Fier and 220 kV OHL Cetate);
- 2 autotransformer bays rated at 200 MVA, 220 kV, AT1 and AT2;
- 1 longitudinal bus-coupler bay at 220 kV;
- 2 busbar metering bays, CM1A and CM1B, at 220 kV.

The substation will be of the outdoor AIS type, air-insulated, equipped with conventional-type equipment.

Modernisation of the 220 kV and 110 kV command–control–protection–metering system in the 220/110/20 kV substation and refurbishment of the medium-voltage installation and the DC and AC auxiliary services in the 220/110/20 kV Ghizdaru Substation



Project Goal:

Modernisation of the command–control–protection and metering system of the Ghizdaru Substation and refurbishment of the medium-voltage level and of the DC/AC auxiliary services.

Project description:

Following the implementation of the project, the 220/110/20 kV Ghizdaru Substation will be operated and/or supervised, on hierarchical levels, as follows: from the primary switching equipment – via the operating boxes of the primary switching equipment (level 0); from the TNCC 1 and 2 equipment – via the command, control and protection cabinets (level 1); and from the equipment located in the substation control room (level 2). Furthermore, the 220/110/20 kV Ghizdaru Substation will be supervised, remotely controlled and operationally telecontrolled as follows: from the CTSI or EI equipment (level 2); and from the Dispatch Centre (DEN/DET) (level 3).

Procurement and Installation of a Shunt Reactor in the 400 kV Porțile de Fier Substation**Project Goal:**

By implementing the investment consisting in the installation of a 100 MVAR, 400 kV shunt reactor in the 400/220 kV Porțile de Fier Substation, a series of objectives are pursued, such as:

- contribution to voltage regulation; contributes to reducing the electrical stresses on the insulation of equipment and apparatus within the Transmission Network (ETG) and, where applicable, within the Distribution Network (RED); and to maintaining the voltage level at the 400 kV Porțile de Fier node within the permissible limits, thereby ensuring the secure operation of the National Power System (NPS) and of the interconnection in the respective area. The 400 kV Djerdap node in the neighbouring system will no longer be affected by voltages outside the admissible limits within the ETG.
- increase in operational security and enhancement of transfer capacity as a result of the possibility to operate the 400 kV OHL Porțile de Fier – Reșița and the 400 kV OHL Reșița – Pančevo, circuits 1 and 2, prior to the full completion of the 400 kV Reșița Substation;
- Compensation is ensured for the decrease in transfer capacity during the period in which the 220 kV OHL Reșița – Timișoara is withdrawn from operation for the works related to its upgrading to the 400 kV voltage level.
- It leads to the improvement of the transient stability of the generating units at the Iron Gates I Hydropower Plant (CHE Porțile de Fier I) and to the increase of the critical fault-clearing time by ensuring stable operating conditions of the generating units, to the reduction of technological own consumption (OTC) within the transmission network, and to the avoidance of

switching operations for the disconnection/connection of the respective OHL, thereby reducing circuit breaker wear and consequently extending their service life. All of the above will result in an increase in the operational security of the National Power System (NPS).

Project description:

In order to implement the investment, the following works are required: reconfiguration of the 400 kV transfer bus-coupler bay (CT 400 kV); installation of a 400 kV high-voltage cable and the associated termination boxes; equipping of the 400 kV bay for the shunt reactor in field 7;

Establishment of the complementary works for the reconfiguration of the 400 kV substation, which become necessary as a result of the implementation of the new 400 kV 100 MVAR shunt reactor bay at the Porțile de Fier Substation.

400 kV Double-Circuit OHL Timișoara – Arad**Project Goal:**

The upgrading to the 400 kV voltage level of the Western corridor and of the new interconnection line with Serbia generates a series of advantages set out under the Specific Objectives, both for the operation of the internal transmission networks of the National Power System (NPS) and for strengthening the interconnection with the ENTSO-E networks (European Network of Transmission System Operators for Electricity):

- ensure the security of supply for a large consumption area of approximately 1,000 MW;
- strengthen the Banat energy sector, thereby contributing to increased voltage stability in the area and, consequently, to the reduction of power and energy losses;
- lead to the reinforcement of the network in the south-western part of Romania and thus to an increase in the volume of electricity that can be transited between Romania and Hungary, generating higher financial compensations;
- improve operational reliability and increase the quality of the transmission service in both power systems.

Project description:

The 400 kV OHL Timișoara – Arad will consist of four sections and will cross 12 administrative-territorial units belonging to Timiș County (8 ATUs) and Arad County (4 ATUs). The total length of the OHL will be 67.2 km (24.7 km single-circuit and 42.5 km double-circuit).

On the territory of Timiș County, the OHL route will cross the following administrative-territorial units: the Municipality of Timișoara; the communes of Moșnița Nouă, Ghiroda, Dumbrăvița, Sînandrei, Giarmata, Pișchia and Orțișoara.

On the territory of Arad County, the OHL route crosses the following administrative-territorial units: the Municipality of Arad and the communes of Șagu, Fântânele and Vladimirescu.

In the area in the vicinity of the Municipality of Timișoara (the single-circuit sections of the 400 kV OHL), where the 400 kV OHL has retained the route of the existing 220 kV OHL and the safety and protection corridor has been limited to 55 m, in order to meet the coexistence requirements of the new line with residential PUZs (Zonal Urban Development Plans), the project provides for tension towers or suspension towers equipped with multi-string insulator assemblies, dimensioned for clamps with conductor retention. All towers in these areas have been provided with earthing installations designed for areas with frequent traffic, and the suspension towers will be equipped with double suspension insulator strings with clamps ensuring conductor locking.

Refurbishment of the 110 kV Medgidia Sud Substation – Equipment Supply (2)

Project Goal:

The 110 kV Medgidia Sud Substation is of particular importance both for supplying the consumption area and for supplying the auxiliary services of the Cernavodă Nuclear Power Plant (CNE Cernavodă), as well as for the evacuation of power from wind power plants (WPPs). The outage of certain elements of the 110 kV Medgidia Sud Substation may lead to the interruption of supply to certain consumption areas in Constanța County or to the shutdown of certain wind power plants (in excess of 250 MW). The 110/20 kV Medgidia Sud transformer substation, commissioned in 1978, is in a condition that does not meet the system requirements of the area served, both as a result of the technical performance of the equipment and of the physical and moral obsolescence of the entire installation. Therefore, the refurbishment of the 110/20 kV Medgidia Sud Substation is both appropriate and necessary in order to increase security of supply and to improve the performance of the equipment and switchgear.

Project description:

The modernisation of the substation in the AIS (air-insulated substation) configuration allows for the phased refurbishment of the 110 kV substation, using the “step-by-step” method. As the existing substation

is decommissioned, the circuits will be transferred to the new substation, requiring temporary works and the interruption of certain circuits for extended periods of time. For these temporary works, three mobile GIS bays will be used, two provided by Transelectrica and a third mobile GIS bay to be procured under this project.

The refurbishment of the 110 kV Medgidia Sud Substation includes the following works:

- installation of primary and secondary equipment of an advanced technological level, with a high performance-to-acquisition–operation–maintenance cost ratio and reliability indicators suitable for a high degree of operational security;
- implementation of a high-performance, unified, numerical, integrated, redundant command–control–protection system, remotely configurable;
- ensuring the control of the new installations from DEN/DET/CT Constanța.

Construction of a New 400 kV Single-Circuit (s.c.) Overhead Line (OHL) Gădălin – Suceava, Including Interconnection to the National Power System (NPS) (New OHL)

Project Goal:

The objective of the project “Construction of a New 400 kV Single-Circuit (s.c.) Overhead Line (OHL) Gădălin – Suceava, Including Interconnection to the National Power System (NPS)” is the implementation of a new 400 kV OHL Gădălin – Suceava, including its interconnection to the NPS.

Project description:

The 400 kV (single-circuit) OHL Gădălin – Suceava is necessary and appropriate as it increases the operational security of the National Power System (NPS), eliminates overloads resulting from the commissioning of significant electricity generation sources in the eastern part of the National Power System (NPS), enhances operational flexibility and leads to the reduction of losses within the NPS.

Installation of Photovoltaic Power Plants (PVPP) and Energy Storage Systems, intended to supply the internal services of the electrical substations of NPG CO. “Transelectrica”- S.A. (Lots IV, VI and I)

Project Goal:

Reduction of Transelectrica’s operating costs by decreasing the costs related to the procurement of the electrical energy required for the internal services of the substations.

Increase in the level of reliability in the supply of internal services within the substations.

Reduction of greenhouse gas emissions. Increase in the share of energy produced from renewable resources at national level and, implicitly, at European level.

Project Description:

Performance of design services for the installation of photovoltaic power plants and electricity storage systems, implemented using equipment that will enable the local generation and storage of electricity from renewable sources, providing an alternative solution, even if partial, for supplying non-essential internal service consumers within Transelectrica's

electrical substations, with a view to reducing electricity consumption from the distribution network.

Depending on the space available within the substation, such integrated generation and storage installations shall be implemented so as to enable, through self-generation, the supply of between 38.58% and 54.05% of the local internal services consumption.

Implementation in two stages: Stage I – Feasibility Study

Stage II – Technical Specifications for the execution of the works (preparation of the documentation required for obtaining the Urban Planning Certificate (CU), endorsements and approvals required under the CU, PAC, PAF, PTE, As-Built documentation).

Table 19: Main Major Projects with Commissioning for Operation (final and interim) completed in 2025

Nr. crt.	Objective	Value
		mil RON
1	Upgrade to 400 kV of the Porțile de Fier – Reșița – Timișoara – Săcălaz – Arad axis – Stage I, 400/220/110 kV Reșița Substation	176.87
2	220 kV Overhead Power Line (OHL), double circuit, Ostrovu Mare – ETG	50.08
3	Optimization of the operation of existing 400 kV OHLs within the National Power System (NPS), used for interconnection and for power evacuation from the Cernavodă Nuclear Power Plant and renewable energy power plants in Dobrogea, through the installation of online monitoring systems (SMART GRID type)	21.53
4	Modernization of the electronic messaging system within NPG CO. Transelectrica S.A. (fixed assets to be established)	12.94

Main projects completed in 2025

Upgrade to 400 kV of the Porțile de Fier – Reșița - Timișoara - Săcălaz - Arad axis - Stage I, 400/220/110 kV Reșița Substation - Final commissioning completed in April 2025

Project Goal:

The Reșița Substation is one of the most important transformation substations on the Banat axis, consisting of the 220 kV double-circuit overhead power line (OHL) Porțile de Fier – Reșița – Timișoara – Săcălaz – Arad, with the Săcălaz and Calea Aradului substations connected in in-and-out configuration to one of the Timișoara – Arad circuits.

The upgrade of the Banat axis to the 400 kV voltage level will lead to the strengthening of the interconnection network with ENTSO-E in the south-western and western areas of Romania, thereby creating the necessary prerequisites for interconnection with Serbia.

The energization under load of the 400 kV Overhead Power Line (OHL) Reșița (Romania) – Pančevo (Serbia), Circuits 1 and 2, is conditional upon the

completion of the 400 kV OHL bays Pančevo 1 and Pančevo 2 within the Reșița Substation.

Transelectrica's experience in the operation of electrical installations within the transformation substations on the Banat axis, as well as the situation of incidents recorded in these transformation substations in recent years, indicate the necessity of modernizing the existing voltage levels and introducing the 400 kV voltage level.

In light of all the above, the introduction of the 400 kV voltage level in the Reșița Substation and the refurbishment of the existing 220/110 kV Reșița Substation are deemed appropriate, in order to bring it to a level consistent with current operational requirements.

Project Description:

The project "Upgrade to the 400 kV voltage level of the Porțile de Fier – Reșița – Timișoara – Săcălaz – Arad axis. 400/220/110 kV Reșița Substation" aims at the construction of the 400 kV Reșița Substation and

the refurbishment of the 220/110 kV Reșița Substation.

220 kV Double-Circuit Overhead Power Line (OHL) Ostrovu Mare – ETG – Final commissioning completed in June 2025.

Project Goal:

The south-western area of the National Power System (NPS) is characterized by a significant electricity surplus generated by the large hydroelectric power plants located on the Danube, namely Porțile de Fier I and II and Gogoșu, as well as by the thermal power plants in the Oltenia coal basin.

The solution for increasing the level of operational reliability of the transmission networks in the area, as well as for reducing technological losses in the 110 kV networks of SC DFEE Electrica Oltenia S.A., is ensured by evacuating the power generated by the Porțile de Fier II and Gogoșu Hydroelectric Power Plants into the regional 220 kV network through a 220/110 kV substation located in the vicinity of the hydropower plant.

Following the system analysis conducted as part of the project “Study on the Optimization of the Transmission and Distribution Network in the Area of the Drobeta Tr. Severin, Reșița, Timișoara, Arad, Cetate and Calafat Substations for Increasing the Level of Operational Reliability of the National Power System (NPS)”. Within the “ETG Development Plan. Period 2004–2008 and indicative 2014”, a change in the solution for evacuating into the National Power System (NPS) the energy generated by the Porțile de Fier II Hydroelectric Power Plant was proposed, through the construction of a 220 kV substation at Ostrovu Mare, connected by means of a 220 kV double-circuit Overhead Power Line (OHL) to the existing 220 kV OHL Porțile de Fier I – Cetate, along the shortest route (approximately 30 km), in the vicinity of the locality of Corlățel.

CN Transelectrica S.A., through the “ETG Development Plan for the Period 2019–2031 and indicative 2035”, promoted the works necessary for evacuating the power generated by the Porțile de Fier II and Gogoșu Hydroelectric Power Plants through a dedicated 220 kV substation

Project Description:

The works consist in the construction of the 220 kV Ostrov Substation, 2 x 200 MVA, the implementation of an in-and-out connection to the 220 kV double-circuit Overhead Power Line (OHL) Porțile de Fier I – Cetate/Calafat for the connection of this new substation, and the execution of the extension of the

220 kV Cetate Substation (within the context of the development of the transmission network in the south-western area of the National Power System). The extension of the 220 kV Cetate Substation is also required – this work is currently under implementation.

Modernization of the electronic messaging system within NPG Co. Transelectrica SA (fixed asset creation in progress) – Final commissioning completed in December 2025

Project Description:

Considering the operational importance of Transelectrica’s messaging system, with direct implications for the dispatching and operation of the National Power System (NPS), as well as the complexity of the platform, the migration of the platform’s functionalities to Transelectrica’s new hardware infrastructure is required, with the objective of reducing response times, ensuring at least the same level of stability, and achieving a higher level of availability.

The solution must enable users to work productively by facilitating the management of an increasingly large volume of data through a multitude of fixed and mobile devices, thereby also ensuring more efficient teamwork. By benefiting from intelligent mechanisms through which relevant information is highlighted to users, they can use their time more efficiently, without technological impediments.

Optimization of the operation of the existing 400 kV Overhead Power Lines (OHLs) within the National Power System (NPS), used for interconnection and for the evacuation of power from the Cernavodă Nuclear Power Plant and the renewable energy power plants in Dobrogea, through the installation of online monitoring systems (SMART GRID type) – During 2025, interim commissioning for operation (PIF) milestones were completed. Scopul proiectului

Project Goal:

The main objective pursued through the procurement and installation of online monitoring systems is to increase the operational reliability of the Overhead Power Lines (OHLs), such increase being achieved through the online diagnosis and estimation of the technical condition of the OHLs based on data acquired online, as well as through the operationalization of the Dynamic Line Rating (DLR) concept. The objective of DLR is to provide the System Operator with accurate, real-time information enabling better utilization of the OHL transmission capacity and its increase depending on current

meteorological conditions, as well as the reduction of risk and the enhancement of reliability and operational efficiency.

Project Description:

General services and works for the present project: Design services (preparation of the Technical Execution Project – PTE and as-built documentation); Provision of the services required for the implementation of the project, including FAT, SAT, commissioning for operation (PIF), and personnel

training; Supply of equipment in accordance with the provisions of the Technical Specifications and the Technical Requirements; Installation of the monitoring systems, connection of the devices required for data acquisition to the specified Overhead Power Lines (OHLs), connection to Transelectrica's cloud platform in accordance with the IT solution offered, through specific interfaces and appropriate software; Integration of the monitoring systems into the existing SCADA system; Provision of maintenance services during the warranty period.

Investment program for 2026

Main Major Investment Objectives envisaged for 2026

Installation of Photovoltaic Power Plants (PVPP) and Energy Storage Systems, intended to supply the internal services of the electrical substations of NPG CO. "Transelectrica"-S.A. (Lots II, III and V)

Reduction of Transelectrica's operating costs by decreasing the costs related to the procurement of the electrical energy required for the internal services of the substations.

Increase in the level of reliability of the supply of internal services within the substations.

Reduction of greenhouse gas emissions. Increase in the share of energy produced from renewable resources at national level and, implicitly, at European level.

Optimization of voltage control and of power quality parameters through the installation of FACTS-type equipment in the Gutinaș, Suceava and Roșiori Substations

Project Goal:

Modern reactive power compensation devices rapidly compensate reactive power variations, maintaining the busbar voltage at the setpoint value. The implementation of a centralized voltage control system and the installation of modern reactive power compensation equipment lead to the reduction of active energy losses resulting from reactive power flows and to the improvement of power quality parameters (voltage harmonics, Total Harmonic Distortion – THD, power factor, etc.).

Banat Axis, Stage III – Refurbishment of the 110 kV Arad Substation and of the 400 kV Arad Substation

Project Goal:

Refurbishment of the 110 kV Arad Substation and extension of the 400 kV Arad Substation in

accordance with the project for the upgrade to the 400 kV voltage level of the Porțile de Fier – Anina – Reșița – Timișoara – Săcălaz – Arad axis.

Refurbishment of the 400/220/110 kV Urechești Substation

Project Goal:

The modernization of the primary and secondary power equipment will contribute to ensuring the remote control of the entire substation from the Telecontrol Center of STT Craiova and from the central and territorial dispatch centers, in order to meet the current requirements for the functional and operational security of the National Power System (NPS). Increase in the operational security of the National Power System (NPS) in accordance with the results of the Transmission Network (ETG) development studies and operational planning studies. Furthermore, the strengthening of the ETG in the south-western area of the NPS may lead to the prevention of disturbances similar to those that occurred during the event of 08 January 2021. Increase in the quality of the electricity transmission service. Ensuring adequate control of power transfers through the 220 kV network following the intensification of cross-border exchanges in the south-western area of the National Power System (NPS), as a result of the strengthening of the transmission networks in Bulgaria, Serbia and Hungary ;Increase in the connection capacity to the Transmission Network (ETG) for new electricity consumers and generators, in particular renewable electricity sources, in order to ensure the achievement of the green energy targets undertaken by Romania.

Pilot Project – Refurbishment of the 220/110/20 kV Alba Iulia Substation under the Digital Substation concept

Project Goal:

Improvement of the operational reliability of the installations through actions aimed at: optimization of

the primary electrical scheme; modernization of the primary and secondary power equipment; ensuring the remote control of the entire substation from the central and territorial dispatch centers; Increase in the quality of the electricity transmission service; improvement of the services provided to users of the transmission network; enhancement of the substation's energy performance; improvement of the operational capabilities required for the implementation of standards associated with asset management and smart grids; Improvement of the risk management associated with the operation and maintenance of the substation; reduction of environmental impact through the use of modern equipment and technologies; development of the specific competencies required for the digitalization of processes.

DigiTEL Green Pilot Project – Refurbishment of the 220/110/20 kV Mostiștea Substation based on the digital substation concept with low environmental impact

Project Goal:

The general objectives expected to be achieved are:

- ✓ Increasing the operational reliability of the National Power System;

- ✓ Standardizing monitoring solutions for Power Transmission Grid (PTG) assets;
- ✓ Ensuring interoperability at the operational level;
- ✓ Implementing asset management standard requirements;
- ✓ Increasing operational performance;
- ✓ *Implementing the sustainability concept in the field of electrical substations;**
- ✓ Implementing environmental policies agreed upon at the EU level

Increasing the power supply security for consumers in the North-Eastern area of Bucharest connected to the 220/110/10 kV Fundeni Substation

Project Goal:

- ✓ Installation of an additional 400 MVA, 220/110 kV AT3 autotransformer unit;
- ✓ Implementation of a power quality analysis system, developed in accordance with the current Transelectrica Technical Internal Norms (NTIs), as established by the technical expertise;
- ✓ Integration of the new equipment into all systems and installations of the Fundeni Substation.

Risks and Outlooks-Annual Investment Program (PAI) 2026

The risks identified for the investment objectives included in the category of the Company's own expenditures, which may affect the implementation of the Annual Investment Program for 2026, are as follows:

- External: delays in the execution of the works in accordance with the estimated schedules and contractual deadlines, mainly caused by:
 - ✓ the global economic situation, namely the war in Ukraine and the energy crisis
 - ✓ the legislative framework;
 - ✓ the financial situation of certain contractors.;
 - ✓ significant delays in the issuance of Government Decisions (HG) for the initiation of expropriation procedures and/or removal from the forestry fund;
 - ✓ the limited number of design/execution companies in the field, leading to the non-completion of public procurement procedures.

The impact of these risks could amount to 8% of the Company's own capital investment expenditures.

- Internal (other causes) – with an impact of 2%.

Under the occurrence of these constraints, the level of achievement of the Investment Program (Company's own capital expenditures) will be approximately 90%.

In 2026, it is estimated that an additional four design and works execution contracts will be concluded for investment objectives financed through the Modernisation Fund and three design and works execution contracts for investment objectives financed through the National Recovery and Resilience Plan (PNRR).

9.2. Sectorial Procurement Activity

In the field of sectorial procurement, during 2025 a total of 709 procurement processes were awarded, consisting of 350 procurement procedures and 359 direct procurement processes.

In summary, the level of completion of procurement processes (procedures finalized with contracts and initiated procedures) during the period January–December 2025 is 67.53% in value terms and 70.35% in numerical terms.

With regard to procurements financed from investment funds, contracts were signed at Company level with a total value at signing of RON 1,501 million.

In addition, four investment projects financed from non-reimbursable funds were initiated – one under the Modernisation Fund and three under the National Recovery and Resilience Plan (PNRR), Component 16 – REPowerEU, totaling an estimated value of RON 503.8 million, whose completion is anticipated to take place during 2026:

- Pilot Project – Refurbishment of the 220/110/20 kV Alba Iulia Substation under the Digital Substation concept
- Installation of Photovoltaic Power Plants (PVPP) and Electricity Storage Systems intended to supply the internal services installed in the substations of NPG CO. Transelectrica S.A. – PVPP substations in the STT Constanța area, within the following electrical substations: 400/110/10 kV Constanța Nord, 400 kV Isaccea, 400/220/110/20 kV Lacu Sărat, 400/110/20 kV Medgidia Sud, 400/110/20 kV Tulcea Vest
- Installation of Photovoltaic Power Plants (PVPP) and Electricity Storage Systems intended to supply the internal services installed in the substations of NPG CO. Transelectrica S.A. – PVPP substations in Zone 1, STT Bucharest, within the following electrical substations: 400/220/110/10 kV Bucharest South, 220/110/20 kV Fundeni, 400/110/20 kV Domnești, 400/110/20 kV Gura Ialomiței, 220/110/20 kV Ghizdaru.

- Installation of Photovoltaic Power Plants (PVPP) and Electricity Storage Systems intended to supply the internal services installed in the substations of NPG CO. Transelectrica S.A. – PVPP substations in Zone 2, STT Bucharest, within the following electrical substations: 400/110 kV Pelicanu, 220/110/20 kV Turnu Măgurele, 220/110/20 kV Stâlpu, 220/110 kV Teleajen, 220/110/20 kV Târgoviște, 400/220/110 kV Brazi Vest

During 2025, legislative measures with an impact on commercial activity were adopted, including:

- the extension of the restrictions set out in Emergency Ordinance No. 34 of 12.05.2023 regarding certain fiscal-budgetary measures, the postponement of certain deadlines, as well as the amendment and supplementation of certain normative acts.
- Emergency Ordinance No. 156/2024 on certain fiscal-budgetary measures in the field of public expenditures for the substantiation of the consolidated general budget for 2025, for the amendment and supplementation of certain normative acts, as well as for the postponement of certain deadlines.
- Law No. 118 of 1 July 2025 approving Government Emergency Ordinance No. 52/2024 for the amendment and repeal of certain provisions of normative acts in the field of public procurement and sectoral procurement. New developments within SEAP for CONTRACTING AUTHORITIES – the forms provided by Order of the President of ANAP No. 1170/2021 in the process of evaluating tenders within online public procurement procedures.

9.3. European Funds

Table 20: Projects Financed from European Funds

No.	Objective	Financing Program	Financing Rate	Financing Value million EUR
1	400 kV double-circuit OHL Medgidia Sud – Constanța Nord	Modernisation Fund	100%	22.99 €
2	400 kV OHL Gădălin – Suceava, including interconnection to NPS	Modernisation Fund	100%	101.21 €
3	„Banat Axis”, Stage II – 400 kV OHL Reșița – Timișoara/Săcălaz	Modernisation Fund	100%	45.18 €
	„Banat Axis”, Stage II – Refurbishment of the 110 kV Timișoara Substation and upgrade to 400 kV	Modernisation Fund	100%	18.43 €
4	„ Banat Axis”, Stage III – 400 kV OHL Timișoara/Săcălaz – Arad	Modernisation Fund	100%	27.28 €
	„ Banat Axis”, Stage III – Refurbishment of the 110 kV Arad Substation and the 400 kV Arad Substation	Modernisation Fund	100%	13.41 €
	Banat Axis”, Stage III – 400 kV Săcălaz Substation	Modernisation Fund	100%	16.82 €
5	400 kV OHL Brazi Vest – Teleajen – Stâlp (Lot I)	Modernisation Fund	100%	51.07 €
	Extension of Brazi Vest Substation (including AT4) (Lot II)			
	400 kV Teleajen Substation and refurbishment of the 110 kV Substation			
6	Pilot Project – Refurbishment of the 220/110/20 kV Alba Iulia Substation under the Digital Substation concept	Modernisation Fund	100%	46.96 €
7	Installation of two modern reactive power compensation devices in the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu Substations	Modernisation Fund	100%	52.34 €
8	Optimization of the operation of the existing 400 kV OHLs within the NPS, used for interconnection and for the evacuation of power from the Cernavodă Nuclear Power Plant and renewable energy plants in Dobrogea, through the installation of online monitoring systems (SMART GRID type)	Modernisation Fund	100%	10.48 €
9	Electricity metering and measurement data management system on the wholesale market	Modernisation Fund	100%	10.67 €
	Electricity Power Quality Monitoring System (PQMS)	Modernisation Fund	100%	7.58 €
10	Pilot Project DigiTEL Green – Refurbishment of the 220/110/20 kV Mostiștea Substation under the Digital Substation concept with reduced environmental impact	Modernisation Fund	100%	48.34 €
11	Pilot Project DigiTEL Power Lines of the Future – Upgrade of the 400 kV OHL Isaccea – Tulcea Vest from single circuit to double circuit	Modernisation Fund	100%	64.06 €
12	Investment 5 – Efficiency improvement, modernization and digitalization of the Electricity Transmission Grid , financed through the National Recovery and Resilience Plan (PNRR), Component 16 – REPowerEU	PNRR	100%	56.24 €
13	400 kV double-circuit OHL Gutinaș – Smârdan**	POIM (Stage 1)	60.23%	28.91 €
		PDD	66.88%**	21.00 €

* In the application of the provisions of MIPE Instruction No. 71 of 14.11.2023 regarding the phasing of projects financed under the Large Infrastructure Operational Programme 2014–2020, the 400 kV double-circuit Overhead Power Line (OHL) Gutinaș – Smârdan project, initially financed under POIM Financing Contract No. 276/03.10.2019, was phased under PDD Financing Contract No. 146/12.12.2024.

** In the application of the provisions of Government Decision (HG) No. 379/2020, which regulates the Methodology for price adjustments within the general estimates related to public infrastructure projects financed under POIM 2014–2020, the financing rate of the 400 kV double-circuit OHL Gutinaș – Smârdan project was increased from 60.23%

Modernisation Fund

For Projects 1–11, in accordance with the provisions of the Financing Contracts, semi-annual progress reports for the first semester of 2025 were prepared and submitted to the Ministry of Energy, as well as other categories of information requested by the Ministry (reports related to public procurement procedures, etc).

Furthermore, the managers of the Financing Contracts constantly participate in online technical meetings with representatives of the Ministry of Energy for the purpose of monitoring contracts funded through the Modernisation Fund.

During the period January–December 2025, reimbursement claims totaling 86,6 mil RON were submitted for the following projects:

- In February 2025, Pre-financing Applications/Reimbursement Applications were submitted, as follows:
 - For Project 5, “Upgrade to the 400 kV voltage level of the Brazi Vest – Teleajen – Stâlp axis”, Reimbursement Application No. 2 was submitted, in the amount of RON 115,985.00.
 - For Project 7, “Installation of two modern reactive power compensation devices in the 400/220/110/20 kV Sibiu Sud and

400/220/110/20 kV Bradu Substations”, Reimbursement Application No. 3 was submitted, in the amount of RON 3,262,920.81.

- **In March 2025**, Pre-financing

Applications/Reimbursement Applications were submitted, as follows:

- In March 2025, Pre-financing Applications/Reimbursement Applications were submitted, as follows:
- For Project 9, “Digitalization of the Transmission Network (ETG) through the installation of two online systems for Electricity Metering and Measurement Data Management on the wholesale market and for Electricity Power Quality Monitoring”, Reimbursement Application No. 5 was submitted, in the amount of RON 13,113,897.38.
- **In June 2025**, Pre-financing Applications/Reimbursement Applications were submitted, as follows:
 - For Project 3, “Stage II – ‘Banat Axis’, Construction of a new 400 kV Overhead Power Line Reșița – Timișoara/Săcălaz, Refurbishment of the 110/220 kV Timișoara Substation and upgrade to 400 kV”, Pre-financing Application No. 1 was submitted, in the amount of RON 20,659,089.01.
 - For Project 8, “Optimization of the operation of the existing 400 kV Overhead Power Lines (OHLs) within the National Power System (NPS), used for interconnection and for the evacuation of power from the Cernavodă Nuclear Power Plant and renewable energy power plants in Dobrogea, through the installation of online monitoring systems (SMART GRID type)”, Reimbursement Application No. 3 was submitted, in the amount of RON 4,139,704.27.
 - For Project 10, “Pilot Project DigiTEL Green – Refurbishment of the 220/110/20 kV Mostiștea Substation under the Digital Substation concept with reduced environmental impact”, Reimbursement Application No. 1 was submitted, in the amount of RON 1,176,400.
- **In July 2025**, Pre-financing Applications/Reimbursement Applications were submitted, as follows:
 - For Project 6, “Pilot Project – Refurbishment of the 220/110/20 kV Alba Iulia Substation under the Digital Substation concept”, Reimbursement Application No. 2 was submitted, in the amount of RON 1,855.

- For Project 9, “Digitalization of the Transmission Network (ETG) through the installation of two online systems for Electricity Metering and Measurement Data Management on the wholesale market and for Electricity Power Quality Monitoring”, Pre-financing Application No. 1 was submitted, in the amount of RON 542,002.38.

- **In August 2025**, Pre-financing

Applications/Reimbursement Applications were submitted, as follows:

- For Project 5, “Upgrade to the 400 kV voltage level of the Brazi Vest – Teleajen – Stâlpu axis”, Reimbursement Application No. 3 was submitted, in the amount of RON 1,977,972.03.
- For Project 7, “Installation of two modern reactive power compensation devices in the 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu Substations”, Reimbursement Application No. 4 was submitted, in the amount of RON 28,611,229.12.
- **In November 2025**, Reimbursement Application No. 4 was submitted for:
 - Project 8, “Optimization of the operation of the existing 400 kV Overhead Power Lines (OHLs) within the National Power System (NPS), used for interconnection and for the evacuation of power from the Cernavodă Nuclear Power Plant and renewable energy power plants in Dobrogea, through the installation of online monitoring systems (SMART GRID type)”, in the amount of RON 8,131,773.22.
- **In December 2025**, Reimbursement Application No. 1 was submitted for:
 - Project 11, “Pilot Project DigiTEL Power Lines of the Future – Upgrade of the 400 kV Overhead Power Line (OHL) Isaccea – Tulcea Vest from single circuit to double circuit”, in the amount of RON 569,700.00.



Project 12 - PNRR**REPowerEU Plan – Investment 5: Digitalization, Efficiency Improvement and Modernization of the National Electricity Transmission Grid through the National Recovery and Resilience Plan (PNRR), Component 16 – REPowerEU**

The general objective of the investment is to accelerate the integration of renewable energy sources and to increase the resilience of the National Power System/Transmission Network (NPS/ETG) in order to ensure the security of electricity supply by reducing bottlenecks and internal dysfunctions at the ETG level and strengthening cybersecurity through the enhancement of the capacity to respond to cyberattacks.

On 09.04.2024, the Financing Contract under the National Recovery and Resilience Plan (PNRR) for the implementation of this investment was signed between NPG CO. Transelectrica S.A. and the General Secretariat of the Government, in its capacity as Reform and/or Investment Coordinator, in the amount of EUR 56,237,200

Investment 5 – Digitalization, Efficiency Improvement and Modernization of the National Electricity Transmission Grid comprises the following Sub-investments:

- Sub-investment 5a – Installation of Photovoltaic Power Plants (PVPP) and Electricity Storage Systems intended to supply the internal services installed in the substations of NPG CO. Transelectrica S.A. (allocation: EUR 29,557,000);
- Sub-investment 5b – Refurbishment of SMART S.A. – subsidiary of NPG CO. Transelectrica S.A. (allocation: EUR 13,791,327).
- Sub-investment 5c – Optimization of the communications network and establishment of a data center – Teletrans S.A., subsidiary of NPG CO. Transelectrica S.A. (allocation: EUR 8,440,200).

During the period January–December 2025, weekly, bi-monthly and quarterly reports, as well as progress reports regarding the implementation status of Investment 5, were submitted to the General Secretariat of the Government.

At the same time, for Sub-investment 5a – Installation of Photovoltaic Power Plants (PVPP) and Electricity Storage Systems intended to supply the internal services installed in the substations of NPG CO. Transelectrica S.A., in 2025 transfer requests were prepared, submitted and collected, in the amount of RON 1,152,287.65.

Project 13 – POIM/PDD**“ 400 kV double-circuit Overhead Power Line (OHL) Gutinaș – Smârdan”**

With regard to the Project “400 kV double-circuit Overhead Power Line (OHL) Gutinaș – Smârdan”, financed under the Large Infrastructure Operational Programme 2014–2020, Priority Axis 8 – Intelligent and Sustainable Electricity and Natural Gas Transmission Systems, Specific Objective 8.1 – Increasing the capacity of the National Power System to integrate electricity generated from renewable resources, in 2025 two (2) reimbursement applications were submitted, with a total reimbursed amount of RON 34,442,727.08, to the Managing Authority – POIM.

By signing Financing Contract No. 146 of 12 December 2024, the 400 kV double-circuit Overhead Power Line (OHL) Gutinaș – Smârdan project entered Phase II of implementation starting on 1 January 2025. This phase is financed under the Sustainable Development Programme 2021–2027 (MySMIS2021+ code: 326878), benefiting from non-reimbursable funding in the amount of RON 100,339,057.89 from the Cohesion Fund. The initial phase, completed on 31 December 2024, was supported under the Large Infrastructure Operational Programme 2014–2020 (MySMIS2014+ code: 129245), with financing of RON 138,136,986.79 from the European Regional Development Fund.

The public launch of Phase II was marked by the publication of the announcement in the national press on 6 March 2025, followed by the organization, on 26 March 2025, of the official kick-off meeting for the implementation of the non-reimbursable Financing Contract No. 146/2024.

The implementation of Government Decision No. 174/2025 of 27 February 2025 was initiated, approving the permanent removal from the national forest fund of an area of 0.1941 ha and the temporary occupation of 32.6358 ha for the construction of the 400 kV double-circuit Overhead Power Line (OHL) Gutinaș – Smârdan. Accordingly, during July–August 2025, the National Forest Administration – Romsilva fully handed over the respective areas to NPG CO. Transelectrica S.A., in compliance with the obligations regarding forest regeneration and forestry compensations. Consequently, the contractor was granted effective access to the sites for the continuation of the works, in accordance with the execution schedule.

In December 2025, two verification missions were carried out by representatives of the Ministry of

Investments and European Projects, concerning the activities performed and the expenditures incurred during the period 29 December 2023 – 31 October 2024, which were requested for reimbursement through Reimbursement Claims No. 1 and No. 2, fully received during the course of 2025, as follows:

- *During 10–11 December 2025, an on-site technical verification mission was carried out, conducted both at the company's registered office and at the works site, whereby the existence, eligibility and compliance of the declared expenditures were confirmed, as well as compliance with the works contract and the applicable procedural requirements.*
- *During November–December 2025, a remote verification mission of the accounting records related to the project was conducted, which confirmed the existence of a separate accounting system, the proper recording of the expenditures related to the reimbursement claims, and compliance with the accounting legislation in force.*

The collaboration between Transelectrica and the National University of Science and Technology Politehnica Bucharest

Investment in the training of young people represents a core objective of the Company.

Transelectrica participated in the selection process initiated by the Polytechnic University of Bucharest for the establishment and operationalization of a Consortium aimed at creating a comprehensive professional pathway for technical education, within the framework of which, together with UPB, the funding application was submitted for the implementation of the project **“Campus Dual Politehnica București”**.



The project spans a period of 3 years (maximum implementation deadline: June 30, 2026). Since

November 2023 and to date, NPG Co. Transelectrica S.A. has been organizing internships for 5 students enrolled in dual education at the "Gheorghe Airinei" Technical College of Post and Telecommunications.

During the period January–June 2025, the 11 students of the Technical College of Post and Telecommunications "Gheorghe Airinei" Bucharest, with whom individual practical training agreements were concluded within the dual education system, continued their practical training internships within the Company.

Additionally, meetings were held for the designation of specialists from within the Company to serve as associate teaching staff within the dual bachelor's degree programme "Renewable Energy and Sustainable Technologies".

In May 2025, the dual master's degree programme "Renewable Energy Systems" within the National University of Science and Technology Politehnica Bucharest was approved by Government Decision. For this master's programme, the first admission session also took place in May, and an admission committee member included a representative of the Company.

In July 2025, the second admission session for the dual master's degree programme "Renewable Energy Systems" was held, with a representative of the Company likewise serving as a member of the admission committee.

In August 2025, the dual bachelor's degree programme "Renewable Energy and Sustainable Technologies" within the National University of Science and Technology Politehnica Bucharest was approved by Government Decision. For the purpose of promoting and presenting this bachelor's programme, an online meeting with prospective candidates was held at the beginning of September 2025. This meeting was also attended by the person responsible, on behalf of the Company, for the financing agreement/partnership agreement, who presented Transelectrica's activity and the manner in which the Company will be involved in the implementation of the bachelor's degree programme.

During the period October–December 2025, a total of 35 individual study and practical training agreements were concluded with students of the National University of Science and Technology POLITEHNICA Bucharest, as follows: 20 individual study and practical training agreements within the dual education system for the bachelor's degree programme "Renewable Energy and Sustainable Technologies" and 15 individual study and practical training agreements

within the dual education system for the master's degree programme "Renewable Energy Systems".

The students enrolled in the dual master's degree programme "Renewable Energy Systems" completed five weeks of practical training during November–December 2025 within DEN and at the Bucharest Branch

Addendum No. 3 to the Partnership Agreement for the establishment of the Consortium for Integrated Dual Education – Center of Expertise in the Bucharest–Ilfov Region was concluded, whereby new partners were integrated into the Consortium.

With regard to **the elements, events or uncertainty factors that influenced the activity during the course of 2025**, the following may be mentioned

- The volatility of the construction and energy materials market, as well as the current geopolitical context, have determined a spectacular increase in prices and implicitly in the budgets and estimates of investment projects financed from non-reimbursable European funds, with an impact on the value of the Company's contribution to the financing of the projects.
- Long delays in the approval by the competent institutions of the draft normative acts regulating the transfer of the right of administration, on behalf of the Romanian state, over some lands located on the corridor of the overhead power lines that C.N.T.E.E. Transelectrica S.A. is building, which led to delays in the company ensuring access to these lands for entrepreneurs, resulting in long delays in the implementation of the projects and compliance with the deadlines for putting into operation the overhead power line investment projects, which in turn resulted in some delays in compliance with the repayment schedule of the amounts eligible for projects with non-reimbursable financing. As a consequence of this, Transelectrica had to take into account the risk of not being able to fully benefit from the European

non-reimbursable funds that were allocated to it, with a negative effect on Romania's absorption rate of European funds.

Events

- In August 2025, applications were submitted to obtain funding through the Modernisation Fund for the following investments:
- Optimizing the operation of overhead power lines by extending the DigiTEL Smart Lines online monitoring system;
- Improving the quality of voltage regulation in the Gutinaş substation.
- In October 2025, the two investments were confirmed as priority investments within the second session of the Investment Committee of the Modernisation Fund.

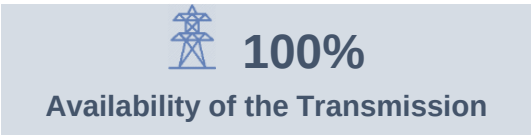
2025 Outlook

- The approach to non-reimbursable financing opportunities targets two main components:
 - *the process of monitoring non-reimbursable financing opportunities launched by funding authorities at national and European level, carried out on a continuous basis;*
 - *the identification of financing opportunities, performed in correlation with the Company's development priorities, as well as with the needs identified in relation to supporting their implementation.*
- The continuation of effective 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 the other governmental entities, in order to ensure the legal framework necessary for the implementation of projects of common interest and of national importance carried out by the Company.

9.4. Quality of Transmission and System Service Provided

According to the Performance Standard for Electricity Transmission and System Services – approved by ANRE Order No. 12/2016, the performance indicators representative for the management and operation of

the ETG, as well as for the continuity of the transmission service, are:



- the electricity transmitted (GWh) and the percentage coefficient of energy losses in the Electricity Transmission Grid – values presented in the section corresponding to OTC (Operational Data);
- the average time-based unavailability of installations, determined by scheduled or unscheduled (accidental) events, reported per kilometre for lines (INDLIN) or per MVA for transformers and autotransformers (INDTRA);

Table 21: Indicators for the Management/Operation of the ETG

Indicator	2025	2024	2023
INDLIN (hours/year)			
Total	185.73	221.88	243.11
· Unscheduled (accidental)	5.27	9.03	12.58
· Scheduled	180.46	212.85	230.53
INDTRA (hours/year)			
Total	147.73	106.86	75.17
· Unscheduled (accidental)	12.87	15.15	1.48
· Scheduled	134.86	91.71	73.69

During the period January–December 2025, an average total time-based unavailability of overhead power lines (OHL) – INDLIN – of 185.68 hours/interval was recorded, representing a 16% decrease compared to the value recorded in the same period of 2024 (221.88 hours/interval).

The breakdown by categories of the average time-based unavailability of installations in 2025 compared to 2024 is as follows:

- ✓ ▼ **3.8 hours/interval– unscheduled**
- ✓ ▼ **32 hours/interval – scheduled**

It is noted that during the course of 2024 both scheduled unavailability and unscheduled unavailability decreased.

The decrease in unscheduled unavailability is attributable to the reduced impact that trip incidents (primarily caused by adverse weather conditions) had on the duration of the outage of the overhead power lines (OHL).

The decrease in scheduled unavailability resulted from maintenance work being carried out without taking the OHL out of service (e.g., vegetation clearing) or with shorter outage times.

During January–December 2025, an average total time-based unavailability of transformers – INDTRA – of 148.57 hours/interval was recorded, representing a 39% increase compared to the value recorded in the same period of the previous year (106.86 hours/interval).

The breakdown by categories of the average time-based unavailability of transformers in 2025 compared to 2024 is as follows:

- ✓ ▼ **2.4 hours/interval – unscheduled**
- ✓ ▲ **44 hours/interval – scheduled**

The decrease in unscheduled unavailability of transformation units is mainly attributable to their replacement under the investment programmes (dedicated projects or substation refurbishment/modernization), as well as to a lower number of incidents.

The increase in scheduled unavailability resulted from the execution of a higher number of maintenance works involving planned outages (e.g. RT) required for the transformation units.

- Energy Not Supplied – ENS, due to interruptions, and the Average Interruption Time – AIT, which represents the equivalent average time period, expressed in minutes, during which the electricity supply was interrupted.

Table 22: Transmission Service Continuity Indicators

Indicator	2025	2024	2023
ENS following incidents occurring in the ETG [MWh]	66.77	83.80	37.13
ENC following incidents occurring in the ETG [MWh]	7.77	39.10	10,154.90
AIT-ENS (min/year)	0.57	0.78	0.34
AIT-ENC (min/year)	0.07	0.36	93.30

Continuity of operation represents one of the quality parameters of the transmission and system services. The assessment of the level of security in ensuring the service provided at a given point of the ETG, under normal operating conditions, constitutes an important prerequisite for the Company's provision of high-performance transmission service and for the proper functioning of the electricity market.

During January–December 2025, an amount of energy not supplied to consumers (ENS) of 66.77 MWh was recorded, representing a 20% decrease compared to the amount of energy not supplied to consumers recorded in the same period of 2024 (83.80 MWh).

In 2025, AIT-ENC, the equivalent average time during which energy was curtailed at power plants of producers, amounted to 0.066 minutes, whereas in 2024 it reached 0.362 minutes.

The measures planned by the Company to improve the ENS and AIT indicators, in accordance with the 2022–2031 PTG Development Plan, are:

- ✓ Re-evaluating the technical design and dimensioning conditions of the installations, taking into account climate and weather changes.
 - regulatory revisions,
 - analyzing the structural capability of the PTG's overhead power lines through modern calculation software, in order to improve the NPS's operational capacity under safety and stability conditions.

The verifications consist of analysis using calculation programs aligned with the most modern design concepts.

Thus, the calculation software allows for a 3-D modeling of the entire OHL structure, including terrain topography elements, and provides the full range of

functions required for the verification and analysis of an overhead power line, such as:

- structural analysis of all line elements (towers/poles, insulator strings, conductors);
 - simulations regarding the behavior of the overhead power line under various scenarios (extreme weather conditions, mechanical or electrical overloads, etc.);
 - identifying the preventive measures necessary to increase operational reliability;
 - upgrading and adapting existing overhead power lines to new conditions (weather, loading);
 - electric and magnetic field calculations;
 - calculations regarding OHL transmission capacity.
- ✓ Replacing worn-out equipment with high-performance equipment as part of the maintenance and investment program).
- Availability of data from the Wholesale Electricity Telemetry System and the Power Quality Monitoring System: 100%.

9.5. Maintenance

The ETG maintenance activity is carried out in accordance with the Maintenance Assurance Programme (PAM), developed on the basis of the Regulation on the Management and Organization of Maintenance Activity approved by Order of the National Energy Regulatory Authority (ANRE) No. 96/2017, as subsequently amended and supplemented (which repealed Order No. 35/2002), for the approval of the Regulation on the Organization of Maintenance Activity, the internal technical standard of Transelectrica – *Regulation on Preventive Maintenance of Installations and Equipment within the ETG – bearing code NTI-TEL-R-001-2007*, and the annual ETG Maintenance Programmes (PM ETG).

The PAM establishes the regulatory framework for the maintenance activity, introduces a modern concept for the optimization and execution of such activity, and applies to all components of the maintenance function (technical, economic-financial, relational and organizational) carried out on all assets within the ETG. Furthermore, the PAM incorporates and maintains — by ensuring the framework for the drafting, revision and updating of maintenance-related documents, as required — all documentation *pertaining to the maintenance activity*.

NTI-TEL-R-001-2007 stipulates that maintenance works/services shall be carried out *only at the*

appropriate times, in the necessary quantity and quality, in such a manner as to achieve the strategic objectives set out in the ETG maintenance strategy (supporting the fulfilment of the Company's Objectives):

- OS1: *Ensuring the (high) availability of ETG assets;*
- OS2: Increasing flexibility in the operation of the National Power System (NPS);
- OS3: Optimizing the determination of maintenance budgets in order to secure regulatory recognition of the related expenditures;
- OS4: Establishing an appropriate staffing policy in the field of maintenance and strengthening technical competencies (reinforcing the organizational culture within the maintenance activity).
- The Regulation provides for maintenance categories (preventive, corrective) and maintenance levels (minor, major), principles of substantiation and planning, indicative general operations, periodicities, etc., and forms the basis for the preparation of the annual ETG maintenance programmes (both financial and physical).

The annual maintenance programmes are substantiated on the basis of the Regulation on

Preventive Maintenance of Installations and Equipment within the ETG and give effect to the principles of the maintenance activity through specific maintenance works and services, while also ensuring the necessary financial resources.

The categories, levels and types of maintenance applied within Transelectrica; the method for selecting the types of maintenance

Maintenance Categories

Within Transelectrica, the following maintenance services/works are performed on electrical installations, as applicable:

- preventive – prophylactic, aimed at preventing defects, respectively at reducing the probability of failure or degradation;
- corrective – performed after the detection of a failure, including all actions intended to restore an installation to the condition that enables it to perform its specified function.

Maintenance Action Levels and Types

Maintenance works/services are classified, in accordance with the “Regulation on the Management and Organization of Maintenance Activity”, namely the PAM, into four levels (Level 1–4), which reflect the degree of complexity of the content of the services/works, the required tools/equipment, the qualification requirements for service providers/executing personnel, etc.

Levels 1 and 2 represent services/works classified under the category of minor maintenance — generally consisting of supervision, visual inspection, inspections and routine checks — while Levels 3 and 4 represent major maintenance works — generally consisting of repairs.

Preventive Maintenance

The fundamental principle underlying the performance of preventive maintenance is that any preventive maintenance action must result in the prevention of accidental unavailability.

The types of preventive (planned) maintenance services/works are classified by levels as follows:

- Level 1 – supervision, periodic inspection, monitoring, functional testing;
- Level 2 – technical overhaul works – RT;
- Level 3 – current repair works – RC;
- Level 4 – capital repair works – RK.

A distinct type of maintenance is rehabilitation, defined pursuant to ANRE Order No. 96/2017 as a set of complex maintenance works whereby, without modifying the original technology, the technical

condition and efficiency of installations are restored to a level close to that existing at the beginning of their service life. Within the ETG, rehabilitation actions are envisaged for electrical substations through equipment replacement and for overhead power lines (OHL) through the replacement of components in order to improve reliability.



Corrective Maintenance

Corrective maintenance services/works are classified into two levels, within minor maintenance (control actions, inspections, checks, measurements and overhauls following the occurrence of accidental events – technical failures and incidents) and within major maintenance (repairs and equipment replacements as a result of accidental events consisting of incidents involving severe equipment damage).

Corrective maintenance actions (accidental services/works) are carried out on all installations on an emergency basis and in accordance with the obligations of the contractor/service provider for maintenance works/services as assumed under the contract.

Within the ETG, a combination of the two aforementioned types of maintenance is applied, namely:

- **Level 1 and 2 services/works constitute minor preventive maintenance actions (MPm) and, depending on the category, voltage level and technical characteristics (technology) of the functional assemblies and their components, are time-based planned — through scheduling at predetermined time intervals based on operational experience, also taking into account their importance within the ETG — and may be adjusted (tailored) according to the condition and criticality of the asset;**

- **Level 3 and 4 works constitute major preventive maintenance actions (MPM)** and are condition-based, depending on the technical condition of the installations, as determined through various assessment methods.

Under certain conditions — for example, where degradation factors are known and adequate technical infrastructure and well-defined work procedures are in place — transmission system operators may adapt their maintenance strategy by using a combination of the following methods in order to enhance decision-making efficiency and reduce operational risks:

1. time-based maintenance;
 2. predictive maintenance;
 3. condition-based maintenance;
 4. reliability-based maintenance;
- risk-based maintenance (RBM).

Among the above-mentioned methods, particular importance is attached to the application of condition-based maintenance (CBM). This involves the assessment of the technical condition of components, based on monitoring, an essential process for identifying critical components in order to maintain the reliability of the power system. The calculation of technical condition indices enables the anticipation of failures and the implementation of efficient interventions, thereby preventing the occurrence of major unavailability events. Based on these condition indicators and on the analysis of the risks associated with each asset — taking into account the strategic importance of each asset within the network — the management of NPG CO. Transelectrica S.A. may substantiate decisions regarding the allocation of financial resources, whether for maintenance actions or for asset replacement.

In the preparation of the annual ETG maintenance programmes, priority is given to works/services that lead to an increased level of operational safety of the installations, to the completion of contracted works/services, and to those contributing to the proper functioning of the installations. Consideration must also be given to the perspective of implementing the remote control and monitoring programme for electrical installations, which requires the rehabilitation of electrical equipment and will, in the future, result in a reduction of personnel and operating expenses.

For the year 2025, ETG maintenance expenses amounting to RON 153.20 million were incurred.

Table 23: Types of ETG Maintenance (RON million)

Maintenance	Budget 2025	Actual 2025
Transmission tariff		
Minor preventive	61.3	60.68
Minor corrective (including equipment/materials)	42.08	38.73
Major preventive	24.45	23.73
Total transmission tariff	127.82	123.14
Interconnection capacity allocation		
Major	16.10	15.85
Minor (including equipment/materials)	14.52	14.31
Total interconnection capacity allocation	30.62	30.16
Grand Total	158.43	153.30

ETG Maintenance Programme for 2026 and Estimates for the Period 2027–2028

The ETG Maintenance Programme for 2026 encompasses the management of the operation of electrical installations and of the maintenance of tangible fixed assets consisting of electrical installations and technological buildings (with the exception of IT and telecommunications installations, telemetering systems and integrated security systems) forming part of the Electricity Transmission Grid (ETG), under conditions of cost minimization, optimal utilization and performance enhancement thereof.

It includes preventive, corrective and reliability-based maintenance services/works, design services/works, as well as services/works under implementation, and has been structured into programmes and projects according to the type of installations, as follows:

- services/works at electrical substations and power transformers;
- services/works at overhead power lines, civil constructions and other technological installations;
- services/works specific to the maintenance of electricity metering equipment (establishment or remediation of supply circuits, communications, repairs of electricity metering and power quality monitoring equipment, etc.)

The primary concern in the implementation of the ETG maintenance programmes has been and continues to be ensuring the operational security of the National Power System (NPS) by:

- ensuring preventive and corrective maintenance: (i) minor maintenance under the contract for strategic works and services; (ii) major maintenance carried out as projects (high-capacity transformation units, overhead power lines, substations, civil constructions and other technological installations) under contracts concluded with specialized entities;

- the use of IT applications/databases in the operation and maintenance activity;
- optimizing costs, reducing remediation times and the duration of installation unavailability by concluding a framework agreement for the supply of primary medium- and high-voltage equipment;
- optimizing overhead power line (OHL) maintenance costs by carrying out multispectral inspections (in the visible, infrared and ultraviolet spectra) and performing remedial works to address non-conformities.
- As compared to previous years, the method of covering the ETG maintenance costs forecast for the forthcoming years, starting with 2025, will also include revenues obtained from the allocation of cross-border interconnection capacity.
- Accordingly, in 2026 as well, maintenance expenditures will be detailed not only under the component related to costs recovered through the transmission tariff, but also under the component represented by revenues obtained from the allocation of cross-border interconnection capacity.

In this regard, ANRE issued Decision no. 2606/Dec. 11, 2025, approving PTG maintenance expenses from cross-border interconnection capacity allocations, totaling 26,931,477 RON, specifically 23,138,864 RON for major maintenance projects and 3,792,613 RON for minor maintenance. For 2026, the list of network elements that contribute significantly to interconnection capacity includes 52 PTG elements, of which 48 are OHL (approx. 20% of the total number of OHLs comprising the PTG).

For the years 2027 and 2028, when estimating the values of the RET Maintenance Programs, the following were mainly taken into account:

- the continuation of ongoing major maintenance works (particularly major maintenance for OHLs);
- work requests submitted by the Transmission Territorial Branches, correlated with the provisions of the Preventive Maintenance Regulation for PTG installations and equipment

Looking forward, the aim is to increase the efficiency of PTG maintenance through:

- emphasizing preventive maintenance operations to reduce corrective maintenance;
- continuing the multispectral inspection program for OHLs;
- using non-invasive methods to assess the technical condition of the installations
- procurement of the sectoral contract for the supply of medium and high voltage primary equipment/circuit breakers and making them available for installation within the Company's facilities

10. European Projects, platforms, affiliations

10.1. European Projects

The Company was selected by the European Commission to be part of the specialist teams of several European projects, some of which are fully financed from structural funds.

Below is a brief presentation of some of these projects:

Regional projects for electricity market coupling and implicit allocation of cross-border transmission capacity

The challenges faced by Europe in the field of energy include issues such as increasing import dependency, limited diversification, high and volatile energy prices, growing global energy demand, security risks affecting producing and transit countries, the escalating threats posed by climate change, slow progress in terms of energy efficiency, the challenges arising from the increasing share of renewable energy, as well as the need for greater transparency and improved integration and interconnection in energy markets.

In order to address these issues, Europe requires a clear energy strategy, centred on a set of measures aimed at ensuring the implementation of an integrated energy market and the achievement of three main objectives:

- security of supply;
- competitiveness;
- sustainability

The objectives pursued include the completion of the integration of the pan-European energy market, the strengthening of coordination of national policies, the removal of market barriers and energy isolation, the reduction of energy prices for consumers, the modernization of infrastructure and the attraction of investments in the energy sector, with a focus on innovative technologies and green energy generation capacities.

The establishment of a fully functional pan-European energy market is crucial for achieving the objectives of maintaining security of energy supply, enhancing competitiveness and ensuring that all European consumers are able to purchase energy at affordable prices.

Security of energy supply constitutes an essential element of public safety and is therefore inextricably linked to the efficient functioning of the internal electricity market and to the integration of isolated electricity markets within the Member States of the European Union.

The target model of the pan-European internal electricity market for the day-ahead timeframe provides for the coupling of these markets through price coupling, based on a single European coupling solution (the PCR – Price Coupling of Regions mechanism), with implicit allocation of interconnection capacities and with the calculation of interconnection capacities based on power flow analysis (the Flow-Based – FB method).

In order to achieve a truly integrated electricity market, further harmonization of the existing rules on capacity allocation, congestion management and electricity trading is required.

In this context, Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management was drafted and approved, setting out minimum harmonized rules for single day-ahead and intraday market coupling at pan-European level, thereby enabling more efficient use of the network and enhancing competition, for the benefit of consumers.

At present, several initiatives are being carried out at European level aimed at achieving the coupling of national/regional markets, in the day-ahead and intraday timeframes, into a single European electricity market, and at implementing mechanisms for the implicit allocation of cross-border transmission capacity through the application of flow-based or ATC (Available Transmission Capacity) capacity calculation methods).

On 15 November 2016, at governmental level, the Memorandum regarding Romania's Participation in the electricity market coupling projects, for the day-ahead and intraday timeframes under development at European level, within the process of implementing the European energy market, was signed.

In accordance with Article 2 of Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management (Definitions), these regions are defined as "Capacity Calculation Regions (CCR)", meaning "the geographic area in which coordinated capacity calculation is applied". Accordingly, a CCR must include a set of bidding zone borders for which capacity calculation is to be coordinated by the TSOs in accordance with the aforementioned Regulation.

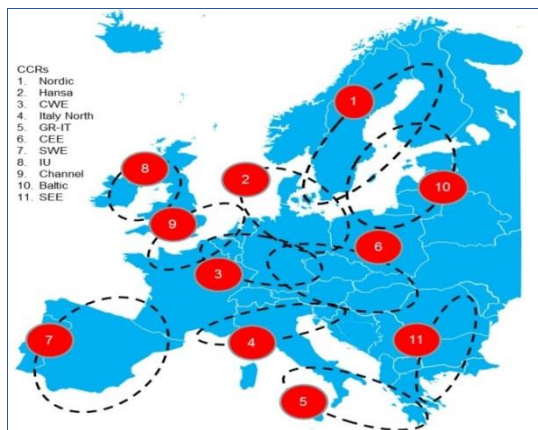
The proposal regarding the configuration of cross-border transmission capacity calculation regions

(CCR) for all borders of the European electricity transmission system represents a dynamic and pragmatic pan-European approach with a short- and medium-term perspective, supporting coordination across bidding zone borders where the highest level of interdependence has been identified.

The CCRs proposed by the European Transmission System Operators within ENTSO-E and approved by all energy regulators at ACER level serve to ensure the optimal use of the European transmission infrastructure. Within the defined CCRs, interdependencies between cross-zonal capacities can be modelled with maximum accuracy and efficiency, and the optimal level of such cross-zonal capacity can be made available to the market.

CCRs serve the objective of optimizing the calculation and allocation of cross-zonal capacity pursuant to Article 3(d) of Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management, as CCRs establish coordination both within each CCR and between CCRs.

Figure 26: Configuration of the 11 RCC proposed by ENTSO-E



By ACER Decision No. 6/2016, the proposal of all Transmission System Operators for the definition of Capacity Calculation Regions was approved. Transelectrica is a member of the CORE Capacity Calculation Region through the RO–HU border and, respectively, of the South East Europe (SEE) Capacity Calculation Region through the RO–BG border.

Within the process of establishing capacity calculation methodologies and subsequent developments under the market coupling and implicit capacity allocation project, the Company is a member of the steering and working structures of the associated projects.

On 16 August 2016, Transelectrica, together with the 15 Transmission System Operators of the Member States within the CORE region, signed a Cooperation Agreement (CEWE CoA), whereby they expressed their commitment to cooperate in developing a

common interconnection capacity calculation methodology and to establish a future basis for the implementation of the requirements of all network codes within this most significant region defined in Europe.

Transelectrica signed the Accession Agreement on 31 August 2016, whereby Romania became a party to the market coupling project in the North-Western and Central Eastern European region (NWE–CEE FB MC).

Within the SEE CCR, the solution regarding regional governance was jointly identified with the TSOs of the region (Romania, Bulgaria, Greece). In July 2019, the three TSOs in the region signed a Memorandum of Understanding establishing the organizational framework at regional level for the purpose of fulfilling the requirements of the European regulations.

The set of regulations included in the new legislative package in the field of energy is arguably the most complex to date and comprises three Communications on “Clean Energy for All Europeans”, “Accelerating Clean Energy Innovation”, and a European Strategy on Intelligent Transport Systems. In addition, the package includes two proposals for the revision of the Regulations on the Internal Electricity Market and on the Functioning of the European Union Agency for the Cooperation of Energy Regulators (ACER), as well as four proposals for the revision of the Directives on Renewable Energy, Energy Efficiency, Common Rules for the Internal Electricity Market and the Energy Performance of Buildings.

At present, several initiatives are underway at European level aimed at implementing the eight European Network Codes, adopted by the European Commission and the European Parliament under a comitology procedure, documents having the legal status of European Regulations (legislation directly applicable in the Member States of the European Union), which regulate aspects concerning the operation of synchronously interconnected power systems at pan-European level and the harmonization and integration of national electricity markets into the single European energy market.

One of the main obligations arising from Regulation (EU) No. 1222/2015 (CACM), pursuant to Chapter 5 – “Single day-ahead market coupling” and Chapter 6 – “Single intraday market coupling”, is the unification of short-term energy markets (day-ahead and intraday), obligations to be fulfilled by the NEMOs – “Nominated Electricity Market Operators” and the TSOs – “Transmission System Operators” in Europe.

At present, with regard to the coupling of the Romanian electricity markets (day-ahead and intraday), the following projects are underway:

- The XBID project for the coupling of intraday electricity markets within the European Union. The project provides for the coupling of the Romanian intraday electricity market. The coupling was implemented on the Romania–Hungary and Romania–Bulgaria borders on 19 November 2019.
- On 27 October 2021, the Bulgaria–Romania border was also integrated into the Single Day-Ahead Coupling (SDAC).
- On 8 June 2022, the Core Flow-Based Market Coupling (Core FB MC) Project for the coupling of day-ahead electricity markets within the Core CCR was commissioned, thereby initiating day-ahead market coupling based on the flow-based methodology in the Core Capacity Calculation Region. The flow-based market coupling mechanism optimizes the European electricity market for 13 countries (Austria, Belgium, Croatia, the Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).
- On 18 March 2025, the IDA (Intraday Auctions) project was launched for Romania's bidding zone borders (Romania–Bulgaria and Romania–Hungary).

In accordance with Article 55 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, the pricing of intraday capacity must be determined. Accordingly, based on ACER Decision No. 01/2019 on the Methodology for Pricing Intraday Cross-Zonal Capacity, an auction mechanism was introduced in order to fulfil this objective. This is the so-called intraday auction – “IDA”, meaning the implicit intraday trading auction for the simultaneous matching of orders from different bidding zones and the allocation of available intraday cross-zonal capacity at bidding zone borders through the application of a market coupling mechanism.

In August 2025, the second NEMO in Romania – the Romanian Commodities Exchange – was successfully integrated.

In parallel, in the field of electricity, a series of projects are being carried out at the level of Transmission System Operators addressing specific aspects related to research, development, innovation or to the challenges arising from the implementation of the new legislative package: the Clean Energy Package.

The Horizon 2020 Programme is one of the most significant research and innovation programmes funded by the European Commission, with a budget of approximately EUR 80 billion, allocated over a seven-year period (2014–2020).



Within this programme, under pillar LCE–04-2017 “*Demonstration of system integration with smart transmission grid and storage technologies with increasing share of renewable*”, funds are allocated to support electricity transmission activities, as follows:

- the projects are addressed to the Transmission System Operators within ENTSO-E;
- the projects must demonstrate a combination of at least two of the following aspects:
 - ✓ electricity transmission technologies and the management of generation sources on a large scale, in the context of the increasing share of renewable energy sources;
 - ✓ large-scale storage capacity for transmission networks, including various storage technologies to be centrally managed;
 - ✓ communication technologies and real-time control tools to enhance flexibility in the operation of transmission networks, for the integration of storage facilities, demand-response mechanisms and interfaces with electricity distribution system operators;
- new perspectives on wholesale electricity markets, facilitating the participation of renewable energy sources and their active participation as data aggregators with a view to reducing network operating costs;
- project proposals will include analyses of the existing regulatory framework, applicable codes and standards, as well as analyses of business models and of the pan-European energy market architecture;
- the projects will support the Horizon 2020 programme in the context of smart grids and the promotion of storage technologies.

With regard to the electricity market, the main objectives arising from the content of the European regulations are as follows:

- ✓ the development of a common grid model at EU level, necessary for coordinated regional capacity calculation for all timeframes (long-term, day-ahead and intraday);
- ✓ the implementation of the FB – “Flow-Based” capacity calculation concept, aimed at increasing interconnection capacities by at least 10% compared to the NTC-based method, on the one hand, and at enhancing social welfare, on the other hand, through the alignment of electricity prices at European level as a result of the coupling of local electricity markets;
- ✓ the establishment and coupling of day-ahead and intraday electricity markets at regional and inter-regional level;
- ✓ ensuring the firmness of nominated capacities (exchange schedules) through redispatching and countertrading mechanisms;
- ✓ harmonizing long-term (annual and monthly) capacity allocation rules through the establishment and operation of a single allocation platform (SAP – Single Allocation Platform) at EU level;
- ✓ the establishment of a transparent and non-discriminatory reporting mechanism with regard to the allocation of interconnection capacities between EU Member States;
- ✓ the transition to a 15-minute settlement interval in electricity markets;

In view of the obligations arising from the three EU Regulations, activities stemming from their implementation have been initiated by the TSOs within the EU. These activities are carried out both at the level of the Capacity Calculation Regions (CCR) and at inter-regional level.

According to the ACER Decision of 16 December 2025 amending the Capacity Calculation Regions (CCR), Transelectrica is a member of the CORE CCR (through the merger of the CWE and CEE regions), the SEE CCR, the CE CCR (resulting from the merger of Core with Northern Italy), and the TCC EE, and is directly involved in the following projects/activities:

- activities aimed at preparing the documents resulting from the implementation of the EU Regulations and from the Energy Community framework (drafting of methodologies, procedures, rules, etc.)
- activities related to proposals pursuant to Article 14 of Regulation (EU) 2019/943 concerning the review of bidding zones in Central Europe.

- activities related to the project for day-ahead electricity market coupling in the Core region based on power flows;
- activities carried out following the initiation of the inter-regional day-ahead market coupling project (MRC – Multi-Regional Coupling);
- activities related to the intraday market coupling project at EU level, generically referred to as SIDC (Single Intraday Coupling);
- activities carried out following the coupling of the day-ahead electricity markets of Romania and Bulgaria;
- activities carried out as a result of the transition to the 15-minute settlement interval in electricity markets.

Synchronous Interconnection of the Power Systems of Ukraine and the Republic of Moldova with the Continental European System

Transelectrica is the Transmission System Operator that provided substantial support, within ENTSO-E, for the synchronous interconnection of the power systems of Ukraine and the Republic of Moldova with the Continental European system.

The implementation schedule of the project for the interconnection of the systems of Ukraine and the Republic of Moldova with the Continental Europe grid, initially proposed by Ukrenergo, had a duration of six years (starting in 2017), with the possibility of extension by an additional two years at the request of SE Moldelectrica and Ukrenergo.

Actions agreed under the signed agreements:

- the performance of additional studies to define in detail all technical measures necessary for interconnection; these studies were finalized in December 2021;
- the implementation of the technical and regulatory measures resulting from the additional studies in the Republic of Moldova and Ukraine (initial completion deadline – 2021);
- the carrying out of interconnection tests in accordance with ENTSO-E procedures (estimated completion deadline – 2023, depending on the completion of the additional studies and the implementation of the necessary measures).

Island operation tests were scheduled for 2022. In February 2022, island operation tests were carried out and were fully successful.

In 2023, interconnected operation tests were scheduled, subject to the successful completion of the island operation tests and the implementation of all necessary measures.

In light of the conflict that arose between Ukraine and Russia, on 28 February 2022, Ukraine and the Republic of Moldova submitted a request for the emergency synchronous interconnection of their power systems with the European electricity network.

Intensive work was carried out at ENTSO-E level to develop the procedures necessary for interconnected operation and, against the background of the war in Ukraine, on 16 March 2022 the emergency interconnection of the power systems of Ukraine and the Republic of Moldova with the European power system, ENTSO-E – Continental Europe, was achieved, a process coordinated within ENTSO-E by the Regional Group Continental Europe (RGCE).

In the interconnected operation of the two systems within the Continental Europe interconnection (ENTSO-E), limitations arise due to operational security constraints at both regional level and at the level of the entire Continental Europe interconnection.

On 30 June 2022, Ukraine and the EU commenced electricity trading.

Starting from 15 October 2022, Transelectrica has organized daily auctions for the allocation of interconnection capacity on the Romania–Moldova border.

Starting from 1 July 2024, Transelectrica has organized daily auctions for the allocation of interconnection capacity on the Romania–Moldova border.

Starting with October 2024, Transelectrica organizes monthly auctions for the allocation of interconnection capacity on the Romania-Moldova border.

On 2 November 2023, the Daily Allocation Rules were implemented on the Romania–Ukraine border. Ukrenergó – the TSO of Ukraine – organizes the daily capacity allocation auctions on the EAP platform.

Throughout 2025, Transelectrica participated in the project for the implementation of monthly capacity allocation auctions through the single allocation platform Joint Allocation Office (JAO) for the Romania–Ukraine border. In December 2025, the first monthly auction organized by JAO took place.

The activity of the consortium that prepared the interconnection process has concluded. Likewise, the initial project group has finished its activity, and a new project group has been formed within the Continental Europe Regional Group of ENTSO-E, which coordinates all activities related to this subject. Thus, at the ENTSO-E level, activities are being carried out through dedicated working groups regarding:

- establishing the interconnection transfer capacity at the profile level (specifically, the interconnections between Ukraine – Moldova, Ukraine – Hungary, Ukraine – Slovakia, Ukraine – Romania, and Republic of Moldova – Romania);
- identifying and establishing procedures for emergency measures in the event of extensive disturbances or the inability to maintain interconnected operation;
- drafting a legal document (Multilateral Agreement) regarding all aforementioned aspects and operational matters, to be agreed upon at the ENTSO-E level by all TSOs within the Continental Europe synchronous area.



New activities/processes implemented in the Balancing Market in 2025

Throughout 2025, Transelectrica successfully continued the implementation of several objectives regarding the development of the IT infrastructure for the Balancing Market, as follows:

- ✓ Starting from January 2025, explicit auctions for daily cross-border capacity allocation on the border with Serbia have been introduced into the Balancing Market's IT system. Until December 31, 2024, these auctions were organized by the Serbian TSO, EMS; as of January 1, 2025, they are organized by CNTEE Transelectrica SA.
- ✓ Starting from February 2025, SAX-type data flows from the Balancing Market IT system are sent via a PCN-type interface (Physical Communication Network) to the ENTSO-E Verification Platform, following the migration of web servers from the TSO Amprion. The migration decision was made by the ENTSO-E steering committees. This activity involved testing the new interface and issuing work orders to Teletrans for the development of communication paths
- ✓ As of March 18, 2025, IDAx implicit auctions were introduced within the SIDC (Single Intraday Coupling) coupled market, with the participation of

the market operator OPCOM, based on the remaining available capacity from continuous intraday implicit auctions.

- ✓ On August 6, 2025, the second market operator, the Romanian Commodities Exchange (BRM), entered the market. The modifications resulting from this expansion of the coupled market were implemented in the Balancing Market's IT system, including the reports transmitted to JAO (Joint Allocation Office)
- ✓ As of October 1, 2025, the transition from 60-minute to 15-minute granularity was implemented within the Single Day-Ahead Coupling (SDAC). This project spanned five years, involving all regions, Nominated Electricity Market Operators (NEMOs), and Transmission System Operators (TSOs) from ENTSO-E.
- ✓ On October 8, 2025, publication information was migrated from the Balancing Market's IT system via the ECP interface (Energy Communication Platform) to the ENTSO-E EMFIP transparency platform. This ENTSO-E initiative is dedicated to ensuring transparent operations, providing all electricity market participants with access to harmonized information.

Funding projects under the EU Research and Innovation Programme – Horizon Europe

The projects, in which the Company participates as a partner within transnational consortia, continued their

implementation during the period January–December 2025, presenting the following characteristics:

Table 24: Research and Innovation projects funded by the "Horizon Europe" programme

No.	Project Title	Start Date	Duration (months)	Estimated eligible value (euro)	Maximum grant amount (euro)	Funding rate %	Grant Agreement
1	TwinEU	jan.24	36	125,000	87,500	70	101136119 — TwinEU — HORIZON-CL5-2023-D3-01

TwinEU Project

The TwinEU (Digital Twin for Europe) project financed under the Horizon Europe Programme, commenced on 01.01.2024 and will be implemented over a period of 36 months.

The Company is part of the consortium established for the development of this project, which brings together 71 partners from across Europe, including transmission and system operators, technology companies, universities and research institutes, European associations and solution developers.

The objective of the project is to increase the level of efficiency and the penetration of smart technologies within electricity networks, leading towards a truly

intelligent grid. The project results are expected to contribute to the development of new smart grid architectures, as well as to their integration into the European digital infrastructure.

The benefits for the Company consist in the training and familiarization of personnel with technical solutions for the development of the transmission network using Smart technologies and with the benefits that these may bring to the system, taking into account the need to identify solutions for integrating energy from renewable sources at the levels established in the National Integrated Energy and Climate Plan (PNIESC) for 2030 and for fulfilling the obligations imposed by ANRE.

The Company received pre-financing in the amount of EUR 65,625, representing 75% of the budget estimated for reimbursement, and the activity within the project for 2025 continued according to schedule, with the Company's representatives actively contributing to the ongoing actions.

Project of Common Interest CARMEN (Carpathian Modernized Energy Network)

CARMEN is among the 5 projects in the thematic area "Smart Grids Deployment", with the reference number 12.2 - CARMEN (BG, RO), aimed at consolidating TSO-TSO cross-border cooperation, investing in network expansion, increasing the integration capacity for new renewable energy sources, and improving grid stability, security, and flexibility.

NPG „Transelectrica” – S.A., Delgaz Grid S.A., and Elektroenergien Sistemen Operator EAD (the Bulgarian Transmission System Operator), alongside Electrodistribution Grid West (the Bulgarian Distribution System Operator), as active Partners in the Project, will take steps to secure non-reimbursable funding by submitting a single application under the call for proposals launched in 2024 through the Connecting Europe Facility (CEF).

Within the CARMEN Project, should the application submitted under the CEF call(s) for proposals be approved, C.N.T.E.E. "Transelectrica" – S.A. will be eligible for non-reimbursable funding for the following Investment Objectives:

- „Optimization of voltage control and of power quality parameters through the installation of FACTS-type equipment in the Gutinaş and Roşiori Substations”;
- „Modernization and capacity upgrade of the 220 kV OHL (Overhead Lines): Fântânele – Ungheni, Dumbrava – Stejaru, and Gutinaş – Dumbrava”;
- „National Synchrophasor Platform, connected to the International Platform for Synchrophasor Data Exchange (IPDE)”;
- „*Installations for the control of active power flows with the purpose of limiting congestion within the Transmission Network (ETG)*”;

The main objectives of the project aim at the modernization and digitalization of the electricity transmission and distribution network, contributing to the improvement of:

- grid stability and capacity to integrate energy from renewable sources by modernizing equipment in operation;
- coordinated voltage control across transmission and distribution networks;

- the quality and cost-efficiency of services provided to customers;
- grid security and flexibility, through the introduction of Demand Side Management technology;
- network management through data exchange and the implementation of Smart Grid functionalities;
- interconnection with the transmission infrastructure, by increasing the security, flexibility, and quality of the regional distribution network;
- real-time monitoring of the interconnected system status, through active and reactive power flows on both interconnection and internal lines.

The anticipated benefits resulting from the project's implementation are divided into three categories:

➤ Socio-economic benefits:

- Reduction of operation and maintenance costs;
- Reduction of electricity losses;
- Increasing service efficiency through the implementation of smart grid technologies;
- Enhancing interconnectivity reflected in the security, availability, and flexibility of the national and European transmission and distribution infrastructure;
- Increasing cross-border grid observability and operational capacity at the dispatch control level

➤ Benefits for customers / prosumers:

- Improvement of power quality indicators;
- Increasing the hosting capacity for energy from renewable sources, including energy from prosumers;

➤ Environmental benefits:

- Reduction of emissions through the modernization and digitalization of the electricity transmission infrastructure;
- Ensuring the hosting capacity for energy from renewable sources;
- Implementation of non-polluting, state-of-the-art technologies within the Best Available Techniques (BAT) category;
- Enhancing long-term grid sustainability by replacing technically obsolete primary equipment.

Estimated project duration: 36 months.

The CARMEN project is included on the first Union list of Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs) under the revised TEN-E Regulation (EU) No 2022/869, which was adopted by the European Commission on November 28, 2023.

During 2025, the Company resumed the process of securing funding through the Connecting Europe Facility (CEF), together with the partners involved in the project, Delgaz Grid S.A. and Elektroenergien Sistem Operator EAD.

Thus, for the CARMEN Project (Carpathian Modernized Energy Network), the development of the funding application through the Connecting Europe Facility (CEF) took place between January and September 2025, and it was submitted on September 12, 2025.



NPG. "Transelectrica" – S.A requested a funding amount of EUR 71,737,484 for the following Investment Objectives:

- "Optimization of voltage regulation and power quality parameters by installing FACTS equipment in the Gutinaș and Roșiori substations;"
- "Modernization and capacity upgrade of the 220 kV OHL (Overhead Line): Fântânele – Ungheni;"
- "National Synchrophasor Platform, connected to the International Platform for Synchrophasor Data Exchange (IPDE);"
- "Installations for active power flow control in order to mitigate congestions in the RET (Romanian Power Grid)".

10.2. Platforms

FSKAR Platforms

As a result of the application of Regulation (EU) No. 1485/2017 establishing a guideline on electricity transmission system operation and Regulation (EU) No. 2195/2017 establishing a guideline on electricity balancing, common settlement rules for intended energy exchanges and common settlement rules for unintended energy exchanges were developed and approved by the Transmission System Operators at ENTSO-E level.

The new set of common settlement rules for intended energy exchanges and unintended energy exchanges provides for the financial settlement between Transmission System Operators, which implicitly means that the bilateral in-kind compensations, previously recorded separately by Transelectrica S.A. in the Revenue and Expenditure Budget with the Balance Responsible Party – Unplanned Exchanges, as a result of trading energy on the Day-Ahead Market, will be discontinued.

The FSKAR calculation methodology, entitled Accounting and Financial Settlement of kΔf, ACE and Ramping Period, has been implemented since 1 June 2021. The Settlement Centers of Amprion and Swissgrid transmit the results to each Transmission System Operator in the form of daily files containing intended exchanges and unintended exchanges (quantities – prices) calculated for the respective Transmission System Operator, for each settlement interval. The established price represents the weighted average of the prices resulting from trading on the Day-Ahead Markets in all ENTSO-E Member States, expressed in EUR/MWh. A temporary exception to the applied calculation mechanism concerns the amounts related to the settlement of unintended exchanges at ENTSO-E level with the TSO of Ukraine (total monthly amounts that cannot be broken down by settlement interval on the balancing market:

- ✓ „The proposal of all TSOs of Continental Europe regarding common settlement rules for planned energy exchanges resulting from the frequency containment process and from the ramping period, in accordance with Article 50(3) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing”, by Decision No. 947.;
- ✓ „The proposal of all TSOs of Continental Europe regarding common settlement rules for all unintended energy exchanges in accordance with Article 51(1) of Regulation (EU) 2017/2195 establishing a guideline on electricity balancing”, by Decision No. 948.

In accordance with the approval Decisions, at the level of ENTSO-E members, the Transmission System Operators developed, at the Coordinated Calculation Centre – Amprion, a platform for determining the imbalances of Transmission System Operators, known as the FSKAR platform.

JAO has been designated as the operator for the monthly invoicing service of the energy resulting from intended exchanges and unintended exchanges. Invoicing is carried out in euro, in CET hours.

JAO has also been designated as the sole operator for the monthly energy invoicing service on the European balancing platforms MARI and PICASSO.

CMM Platform

During 2020, the ENTSO-E Market Committee approved the development of an IT platform called CMM, intended to calculate and harmonize the available capacities on interconnection lines between member countries within the PICASSO, IGCC, TERRE and MARI projects..

At the same time, through ACER Decision No. 02/2020 on the Implementation Framework for the European platform for the exchange of balancing energy for frequency restoration with automatic activation, and through ACER Decision No. 03/2020 on the Implementation Framework for the European platform for the exchange of balancing energy for frequency restoration with manual activation, it was approved that Transmission System Operators implement a cross-border capacity management function, which is to calculate in a coordinated manner the availability of this capacity and transmit the values to the platforms on which standard balancing products are traded.

The development and operation of the CMM will be carried out in compliance with the principles and provisions established in the Main Agreement for the European balancing platforms of 01 July 2020 (hereinafter referred to as the "Main Agreement"). On 01 March 2021, the Agreement regarding the Common Service Provider for the CMM platform entered into force.

At present, the CMM platform has been developed by the Transmission System Operator of the Czech Republic, ČEPS, and was technically commissioned in October 2023.

The platform manages the cross-border energy exchange capacity of Transmission System Operators in Europe. The main objective of the platform is to interface with the European balancing energy exchange platforms TERRE, MARI, PICASSO and IGCC.

IGCC Project - International Grid Control Cooperation

Starting from 01 January 2021, the European platform International Grid Control Cooperation (IGCC), also known as the Imbalance Netting (IN) Platform, became operational for the imbalance netting process among all Transmission System Operators that implement the automatic frequency restoration

process, in accordance with Part IV of Regulation (EU) 2017/1485.

It should be noted that International Grid Control Cooperation (IGCC) is the project selected in 2016 by ENTSO-E to become the future European platform for the imbalance netting process, as defined in Commission Regulation (EU) No. 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (Art. 22).

The IGCC initiative was launched in 2010 by the German transmission system operators and was subsequently extended to Central European power systems, representing a method for optimizing secondary frequency control – power exchange, by reducing counteracting control actions of the regulators of member operators, thus resulting in an optimized use of the system reserve "Frequency Restoration Reserve with automatic activation" (aFRR) at the overall system level.

MARI Platform – European platform for the exchange of balancing energy from Frequency Restoration Reserves with manual activation (European MARI project)

In accordance with Article 20 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing, all Transmission System Operators (TSOs) develop and operate a European platform for the exchange of balancing energy from Frequency Restoration Reserves with manual activation ("MARI Platform").

Starting from 01 January 2018, Transeletrica became a full member of the European project MARI (Manually Activated Reserves Initiative), a project responsible for the implementation and operation of the common platform used for the Frequency Restoration Reserve with manual activation (mFRR) service.

At present, the MARI platform has been operational since October 2022, with the partial participation of several Transmission System Operators from Continental Europe.

PICASSO Platform – European platform for the exchange of balancing energy from Frequency Restoration Reserves with automatic activation

In accordance with Article 21 of Regulation (EU) 2017/2195 (EB GL), all Transmission System Operators (TSOs) are required to develop and operate a European platform for the exchange of balancing energy from Frequency Restoration Reserves with automatic activation ("PICASSO Platform").

Starting from 01 October 2018, Transeletrica became a full member of the European project PICASSO

(Automatic Activated Reserves Initiative), a project responsible for the implementation and operation of the common platform used for the Frequency Restoration Reserve with automatic activation (aFRR) service.

The platform currently includes a total of 30 Transmission System Operators, of which 26 have member status – ADMIE Greece, APG Austria, Elia Belgium, ESO–EAD Bulgaria, Swissgrid Switzerland, ČEPS Czech Republic, 50Hertz Germany, Amprion Germany, TenneT DE Germany, TransnetBW Germany, Energinet Denmark, RTE France, HOPS Croatia, MAVIR Hungary, Terna Italy, CREOS Luxembourg, TenneT NL Netherlands, Transelectrica Romania, PSE Poland, REN Portugal, ELES Slovenia, REE Spain, SEPS Slovakia, Fingrid Finland, Svenska Kraftnät Sweden, Statnett Norway, and 4 members have observer status – AS Augstsprieguma tīkls Latvia, Litgrid AB Lithuania, Elering AS Estonia and MEPSO North Macedonia.

At present, the PICASSO platform has been operational since June 2022, with the partial participation of several Transmission System Operators from Continental Europe.

10.3. Affiliations

Considering the important role of C.N.T.E.E. Transelectrica S.A. in the operation of the National Power System (SEN) and of the electricity market, activities with a strong national and international dimension, the Company is a member of national and international professional organizations and bodies and intends to continue participating in their activities. As a member, the Company's representatives take part in the committees and working groups of these organizations, participate in decision-making processes, and contribute to the development of studies and scientific expertise.

At the same time, Transelectrica is involved in the development of projects with regional and pan-European impact.

Transelectrica is a member of the European Network of Transmission System Operators for Electricity – ENTSO-E, the International Council on Large Electric Systems – CIGRE, the International Live Working Association – LWA, and the International Social Security Association – ISSA.

ENTSO-E - European Network of Transmission System Operators for Electricity

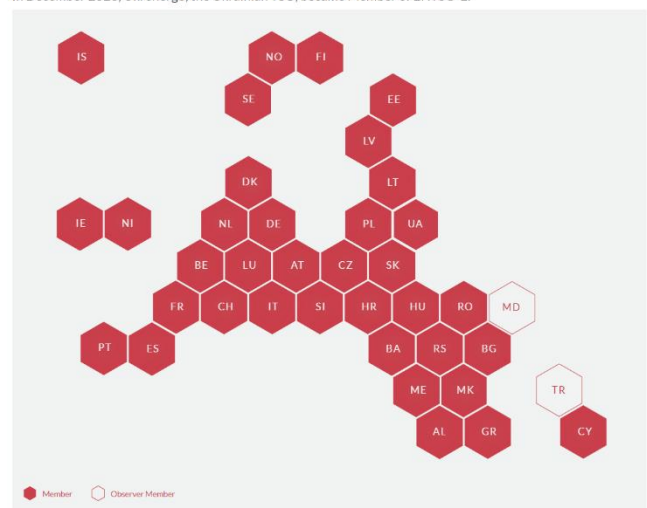
ENTSO-E is the cooperation framework between Transmission System Operators (TSOs) in Europe, both at pan-European and regional level, playing an

essential role in promoting the European internal electricity market and cross-border trade, as well as in ensuring optimal management, coordinated operation, and coordinated technical development of the European electricity transmission network.

The participation of European TSOs within ENTSO-E is regulated by the applicable European legislation (Regulation (EU) No. 943/2019).

The Association promotes important aspects of energy policy, becoming the common voice of all Transmission System Operators in Europe vis-à-vis the European Commission, regulators (ACER) and other stakeholders, through which they express coherent and coordinated positions on energy-related issues at regional and pan-European level. The Association's positions regarding EU policy documents are considered by the European Commission as important contributions to the development of future legislative packages in the energy sector.

In December 2023, Ukrenergo, the Ukrainian TSO, became Member of ENTSO-E.



At the level of Transmission System Operators in the electricity sector, ENTSO-E – European Network of Transmission System Operators for Electricity contributes to the development of cooperation and coordination among Transmission System Operators, in order to ensure the secure and quality-compliant operation of interconnected power systems, the efficient and transparent management of access to cross-border transmission networks, the integration of electricity markets at regional and subsequently European level (IEM – Internal Electricity Market), and to ensure coordinated and forward-looking planning of the electricity transmission system within the European Community.

Transelectrica is an active member in all ENTSO-E structures (General Assembly, Committees, Regional Groups and Working Groups), with our specialists

participating actively and consistently in the organization's activities, promoting the Company's interests both at regional and European level. Meetings held at the level of Committees, Regional Groups, ad-hoc working teams and workshops organized within ENTSO-E serve as a forum for debate and support the development of realistic solutions in the process of regulation and implementation of projects in the energy sector. Moreover, these ensure the support of Romania's interests in the negotiations carried out by the Association with the competent entities at European level, namely the European Commission and ACER, and also represent an opportunity to engage with key actors on the European energy sector stage, to present Transelectrica's position on certain topics of interest, and to influence the course of decisions and the development of specific actions.

CIGRE – International Council on Large Electric Systems

CIGRE – International Council on Large Electric Systems (Conseil International des Grands Réseaux Électriques) is an international technical and scientific organization whose main objective is the development of knowledge in the field of high-voltage power networks and the exchange of information among member countries regarding: the generation and transmission of electricity at high voltage, the construction and operation of switching and transformation substations and their associated equipment, the construction, insulation and operation of high-voltage lines, as well as the interconnection of power systems and the operation and protection of interconnected systems.



Transelectrica is a member of CIGRE, and the Company's specialists are actively involved in the activities of the Organization. Transelectrica has concluded a cooperation protocol with the Romanian National Committee of CIGRE, regarding the organization of conferences, round tables, and presentations of new equipment and technologies.

CIGRE is the largest global professional organization in the energy industry, with more than 17,500 experts worldwide actively working within structured work programmes coordinated by the CIGRE Study Committees and supervised by the Technical Council.

Their main objectives are the design and implementation of the energy system of the future, the optimization of existing energy equipment and systems, environmental protection, and the facilitation of access to information.

At the same time, CIGRE is considered the most important professional organization in the electricity sector, with its activities carried out across 16 fields of activity, all of which are of major interest for the Company's operations.

The active participation of the Company and its representatives provides numerous advantages, including free access to all CIGRE publications through the e-cigre platform, access to the ELECTRA journal, and the participation of young specialists in the activities of the NGN (Next Generation Network).

CIGRE membership offers a broad and stimulating range of benefits, including participation, problem-solving, and opportunities for the development of professional competencies. Participation may involve holding official positions within the global knowledge programme and access to a range of collaborative online tools used by the community.

According to the new CIGRE strategy, the scope of activity is expanding to cover all segments of the energy system, from generation to consumption, including renewable energy sources, electricity storage, and related areas.

ISSA – International Social Security Association

ISSA (International Social Security Association) is an organization that brings together institutions, companies and administrative entities from various countries around the world that deal with one or more. The activity is carried out within numerous sections organized by fields of activity. One of these, operating under the coordination of the ISSA Special Commission on Prevention, is the "Electricity, Gas and Water Section."

Ensuring occupational safety and health has long been recognized as a fundamental humanitarian principle. For the aforementioned section, this means the protection of workers against occupational accidents and occupational diseases caused by electricity and ionizing radiation.



The general objective of the Electricity Section is the reduction of the number of accidents, the improvement of occupational safety standards, and the adoption of

proper practices regarding occupational safety and health at the workplace.

LWA - International Live Working Association

The Association promotes the concept, design and use of live working technologies (LST), fulfilling a supervisory and advisory role in the field, without having responsibilities for the execution of works. Its objectives include:

- *proposing the LST strategy for all types of electrical networks in Romania;*
- *monitoring global developments in the field of live working (LST);;*
- *organizing and participating in scientific events in the field of LST.*
- *organizing and requesting exchanges of experience with companies from Romania and abroad that apply live working technologies (LST);*
- *participating in the certification or testing of live working devices or live working technologies, at the request of service and product providers;*
- *participating in the publication of bulletins or journals in the field of LST;*
- *promoting, within Romanian technical education, technical knowledge, standards and technologies related to LST;*
- *representing Romania within the “Live Working Association” (LWA);*
- *cooperating with other associations and foundations, as well as with natural and legal persons, in order to achieve the purpose and objectives of the association.*



Financial Report

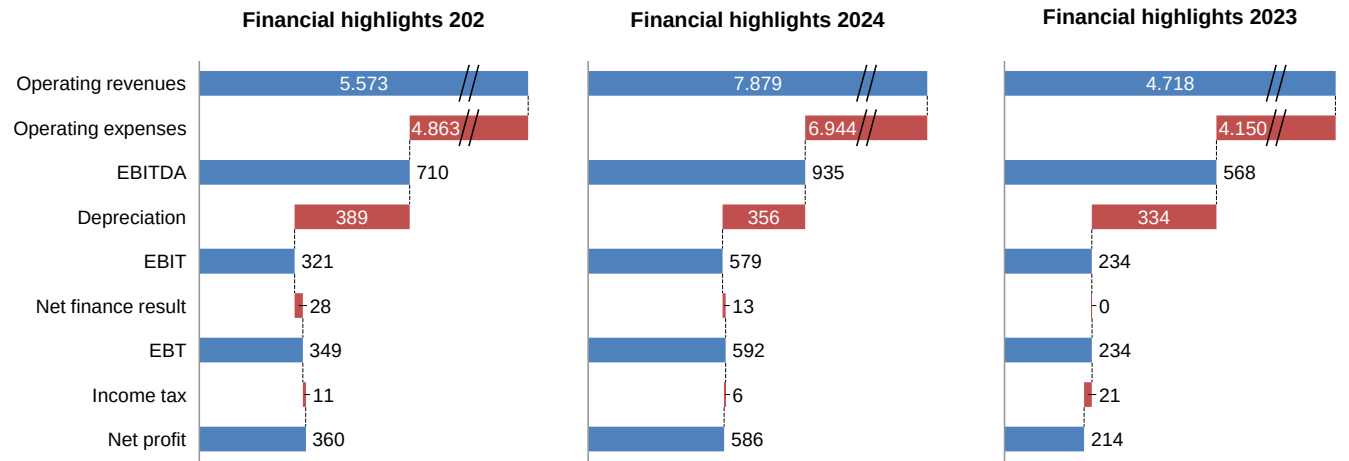


11. 2025 Separate Financial Results

The Company's total operating revenues recorded during January–December 2025 decreased by 29% compared with the same period of the previous year (RON 5,573 million in 2025 compared with RON 7,879 million in 2024), in the context of the significant impact of the reduction in revenues from zero-profit activities (balancing market), as well as conjunctural revenues (revenues from emergency support and revenues from the capitalization of TOC).

The total operating expenses (including depreciation) recorded during 2025 decreased by 28% compared with the same period of the previous year (RON 5,252 million in 2025 compared with RON 7,301 million in 2024), in the context of the significant impact of the reduction in expenses related to zero-profit activities, alongside a 35% increase in expenses related to system services/balancing capacity.

Figure 27: Net result (RON million)



The segment of activities with allowed profit recorded a 0.4% decrease in revenues (RON 2,333 million in 2025 compared with RON 2,343 million in 2024), mainly due to a RON 50 million decrease in revenues from TOC transactions, a decrease in conjunctural revenues from emergency support (-RON 53 million) and TOC capitalization (-RON 101 million), in the context of a RON 235 million increase in revenues from the transmission tariff and a RON 55 million increase in revenues from the allocation of interconnection capacity.

The increase in revenues from transmission and other revenues from the electricity market (RON 2,273 million in 2025 compared with RON 2,087 million in 2024) was influenced by the increase in the average tariff for the transmission service approved by ANRE, which led to an increase in **revenues from the regulated tariff** of RON 235 million (+15%) compared with the same period of the previous year, under conditions of a 0.2% decrease in the quantity of electricity delivered to consumers, respectively 0.1 TWh.

Revenues from the allocation of interconnection capacity, amounting to RON 337 million, recorded an increase of RON 55 million compared with 2024.

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, as updated, and Regulation (EU) No. 943 of 05 June 2019 on the internal electricity market, these revenues representing a source of financing for investments aimed at the modernization and development of interconnection capacity with neighbouring systems.

The net revenues from the allocation of interconnection capacities (net of corporate income tax) are used for investments in the Electric Transmission Network (ETN) in order to maintain or increase interconnection capacities.

Starting from 2025, by ANRE Decision No. 2624/10.12.2024 approving the method for covering the forecast expenses for 2025 from the revenues obtained from the allocation of cross-border interconnection capacity, the performance of ETN maintenance expenditures for certain major and minor maintenance projects was approved, to be financed from the revenues obtained from the allocation of cross-border interconnection capacity.

Starting from 30 September 2022, the Company applies the provisions of Government Emergency Ordinance (GEO) No. 119/2022, under which the additional costs related to the purchase of electricity

incurred during the period 1 January 2022 – 31 March 2025, for the purpose of covering Technological Own Consumption, compared with the costs recognized in the regulated tariffs, are capitalized on a quarterly basis.

The Company recorded **revenues from the capitalization of OTC** in 2025 amounting to RON 0.92 million (non-cash revenue), compared with RON 102 million recorded in 2024, representing additional TOC calculated as the difference between the net cost of TOC procurement and the TOC cost included in the regulated tariff, for the period 01 January – 31 March 2025

The costs related to the purchase of electricity for covering Technological Own Consumption (TOC) amounted to RON 541 million in 2025, which is RON 68 million lower than in the previous year (-11%), in the context of a net TOC quantity of 883 GWh, decreasing compared with 949 GWh in 2024, and higher average purchase prices across all markets (Bilateral Contracts Market, Day-Ahead Market, Intraday Market and Balancing Market).

The capitalized costs are amortized over a period of 5 years from the date of capitalization and are remunerated at 50% of the regulated rate of return approved by ANRE, applicable during the amortization period of the respective costs, and are recognized as a distinct component.

The revenue from the capitalization of TOC is non-cash in nature, its collection by the Company being carried out gradually through the transmission tariff over the next five years from the date of capitalization, in accordance with the applicable legislative provisions.

Zero-profit activities segment: In the area of zero-profit activities, a significant decrease in revenues on the balancing market was recorded during 2025, amounting to RON -2,296 million compared with 2024, mainly driven by the reduction in revenues on the balancing market (RON -2,290 million) due to the prices recorded on the balancing market and the tariff approved by ANRE compared with the same period of the previous year, in the context of a 0.2% decrease in quantity.

This segment accounted for 72% of the total operating revenues recorded in 2025, of which the largest share is represented by the balancing market.

Expenses related to zero-profit activities also recorded a significant decrease in costs (RON -2,107 million), mainly driven by the reduced level of expenses on the balancing market.

The revenues/expenses related to the balancing market were more than twice lower in 2025 compared with 2024.

It should be noted that the balancing market is used by Transelectrica to ensure the real-time balancing of consumption and generation, to guarantee the secure and stable operation of the National Power System (SEN), and to manage any constraints within the SEN.

The procurement of balancing capacity is carried out based on the requirement established by the National Energy Dispatch Center, which is responsible for ensuring the stability and security of the operation of the National Power System (SEN), in accordance with the provisions of ANRE Order No. 127/08.12.2021 approving the Regulation on terms and conditions for balancing service providers and for frequency containment reserve providers, as well as the Regulation on terms and conditions for balancing responsible parties and for the amendment and repeal of certain Orders of the President of the National Energy Regulatory Authority, as subsequently amended and supplemented.

11.1. Separate Statement of Profit and Loss

RON million	2025	2024	2023		25/24
Tariffed energy volume [TWh]	51.73	51.82	50.39	▼	(0.2%)
ALLOWED PROFIT ACTIVITIES					
Operating revenues	2,333	2,343	2,090	▼	(0.4%)
Transmission and other revenues from the electricity market	2,273	2,087	1,988	▲	9%
Other revenues	60	256	102	▼	(77%)
Operating costs	(1,481)	(1,455)	(1,382)	▲	(2%)
System operation expenses	(641)	(716)	(640)	▼	10%
Repairs and maintenance	(161)	(129)	(115)	▲	(25%)
Personnel expenses	(412)	(373)	(348)	▲	(11%)
Other costs	(267)	238)	(278)	▲	(12%)
EBITDA	852	888	708	▼	(4%)
Depreciation	(389)	(356)	(334)	▲	(9%)
EBIT	463	531	374	▼	(13%)
ZERO-PROFIT ACTIVITIES					
Operating revenues	3,240	5,537	2,628	▼	(41%)
Revenues – System services	564	571	359	▼	(1%)
Revenues – Balancing market	2,676	4,966	2,269	▼	(46%)
Operating costs	(3,382)	(5,489)	(2,768)	▼	38%
Expenses – System services	(706)	(524)	(499)	▲	(35%)
Expenses – Balancing market	(2,676)	(4,966)	(2,269)	▼	46%
EBIT	(142)	48	(140)	▼	n/a
TOTAL ACTIVITIES (ALLOWED PROFIT AND ZERO-PROFIT)					
Operating revenues	5,573	7,879	4,718	▼	(29%)
Operating costs	(4,863)	(6,944)	(4,150)	▼	30%
EBITDA	710	935	568	▼	(24%)
Depreciation	(389)	(356)	(334)	▲	(9%)
EBIT	321	579	234	▼	(44%)
Financial result	28	13	0	▲	n/a
EBT	349	592	234	▼	(41%)
Corporate income tax	11	(6)	(21)	▲	n/a
Net profit	360	586	214	▼	(39%)
Net profit per share	4.91	7.99	2.91	▼	(39%)

Allowed Profit Activities**Tariffed Energy Volume**

During the January–December 2025 period, the total quantity of electricity tariffed for the services provided on the electricity market (51.73 TWh) recorded a slight

Table 25: Revenues from Allowed Profit Activities

decrease of 0.2% compared with the same period of 2024 (the difference between the two periods being 0.1 TWh).

RON million	2025	2024	2023		25/24
Operating revenues	2,333	2,343	2,090	▼	0.4%
Transmission and other revenues from the electricity market	2,273	2,087	1,988	▲	9%
Revenues from transmission tariff	1,855	1,619	1,545	▲	15%
Interconnection revenues	337	282	343	▲	20%
Other transmission revenues	81	185	100	▼	-56%
Other revenues	60	256	389	▼	-77%

During the January–December 2025 period, **revenues from the allocation of interconnection capacity** recorded an increase from RON 282 million in 2024 to RON 337 million in 2025 (+20%), corresponding to the

level of utilization of the available interconnection capacity by traders on the electricity market.

The interconnection capacity allocation market is volatile, with prices evolving depending on the demand and the need of electricity market participants

to acquire interconnection capacity. Thus, the increase recorded during the analyzed period was influenced by the price formation model based on supply and demand. Implicit allocations, where capacity and energy are allocated simultaneously, are strongly influenced by variations in electricity prices on European power exchanges.

The interconnection capacity allocation mechanism consists of the organization of annual, monthly, daily and intraday auctions. Auctions on the Romania–Serbia border, long-term auctions on the borders with Hungary and Bulgaria, and short-term auctions on the borders with Moldova and Ukraine are explicit, meaning that only transmission capacity is auctioned. The daily auctions (on the borders with Hungary and Bulgaria) and the intraday auctions (on the borders with Hungary and Bulgaria) are implicit, meaning that energy and capacity are allocated simultaneously through the market coupling mechanism.

On 8 June 2022, the Core FB MC (Core Flow-Based Market Coupling) project was commissioned, thereby initiating the day-ahead market coupling based on flow-based capacity calculation in the Core capacity calculation region. The flow-based market coupling mechanism optimizes the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

On 18 March 2025, the IDA (Intraday Auctions) project was launched for Romania's bidding zone borders (Romania–Bulgaria and Romania–Hungary). In accordance with Article 55 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, it is necessary to establish prices for intraday capacity. Therefore, based on ACER Decision No. 01/2019 on the Methodology for Pricing Intraday Cross-Zonal Capacity, an auction mechanism was introduced to achieve this objective.

This is the so-called intraday auction – “IDA”, which represents the implicit intraday trading auction for the simultaneous matching of orders from different bidding zones and the allocation of available intraday cross-zonal capacity at bidding zone borders through the application of a market coupling mechanism.

In August 2025, the second NEMO in Romania – the Romanian Commodities Exchange (Bursa Română de Mărfuri) was successfully integrated.

Starting from 2025, by ANRE Decision No. 2624/10.12.2024 approving the method for *covering the forecast expenses for 2025 from the revenues*

obtained from the allocation of cross-border interconnection capacity, the performance of ETN maintenance expenditures for certain major and minor maintenance projects was approved, to be financed from the revenues obtained from the allocation of cross-border interconnection capacity.

The expansion of market coupling has the effect of harmonizing electricity prices across Europe, which is also one of the main objectives of Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management”.

Revenues from Inter-TSO Compensation (ITC)

These revenues amounted to RON 23.9 million in 2025, which is RON 1.9 million lower than in the same period of 2024, when they were RON 25.8 million, and they originate mainly from scheduled electricity exchanges with the countries considered peripheral to the mechanism, namely Ukraine and the Republic of Moldova.

Starting from 01 July 2024, Ukraine joined the ITC mechanism and is no longer considered a peripheral country. As a result, the exchanges taken into account were only those with the Republic of Moldova. In general, Romania is a paying country within the mechanism, but revenues may exceptionally be recorded from the monthly settlements.

The revenues recorded following the application of the ITC mechanism registered a decrease during the January–December 2025 period, with the following remarks:

- although the energy exchanges with the peripheral countries taken into account were only those with the Republic of Moldova, these increased by approximately 2.4 times;
- the tariff value for exchanges with peripheral countries was EUR 2.5/MWh until 14 May 2025 and EUR 1.5/MWh starting from 15 May 2025, compared with EUR 3/MWh in 2024;
- exceptionally, in 2024 revenues were also recorded from the monthly settlements for March and May.

The revenues from the trading of electricity for Technological Own Consumption (OTC) were obtained mainly from the sale of surplus energy at a positive price and from the purchase of deficit energy at a negative price, resulting from the difference between the long- and medium-term forecast and the short-term forecast (for each settlement interval) on the Intraday Market administered by OPCOM, as well as from the difference between the forecast OTC and the actual OTC achieved (for each settlement interval) on the Balancing Market.

In 2025, the Company recorded revenues from energy trading for OTC (Own Technological Consumption) of RON 45.8 million, lower compared to the same period of 2024 (RON 95.5 million), with a decrease of RON - 50 million.

The revenues obtained from transactions on the **Intraday Market** were higher than those recorded in the previous year, as a result of the increase in the energy sold on the intraday market following forecast corrections made as close as possible to the time of delivery, as well as higher prices on this market compared with 2024.

The revenues obtained from transactions on the **Balancing Market** were significantly lower, considering that the OTC recorded in 2025 was lower than in the previous year. Given the increase in the share of solar and wind energy generation, an increase in the supply of energy during peak intervals

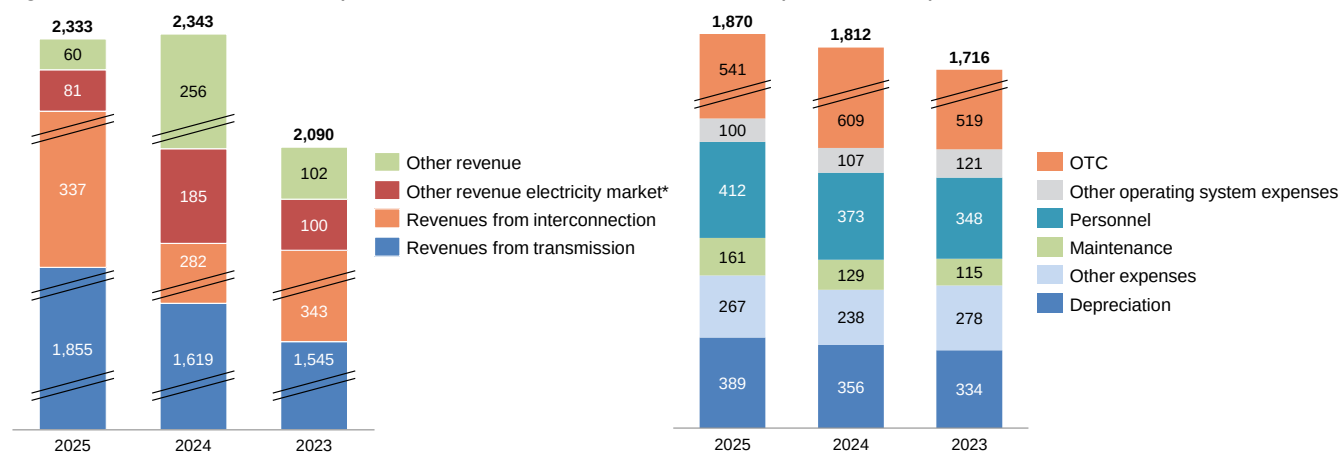
can be observed, as well as a higher proportion of intervals with very low prices on the short-term markets.

Revenues from emergency support

During the January–December 2025 period, revenues from emergency support amounted to RON 9.5 million, which is RON 53 million lower than the RON 62 million recorded in the same period of 2024.

At the request of neighbouring Transmission System Operators, during 2025 emergency support was provided to Ukraine (October, December), the Republic of Moldova (October, November, December) and Serbia (March), in order to ensure the energy required to cover domestic consumption in these countries, in the context of the armed conflicts on the territory of Ukraine, as well as accidental outages of generating units in neighbouring countries, etc.

Figure 28: Revenues and Expenses from Allowed Profit Activities (RON million)



* ITC, reactive energy, OTC transactions, energy exchanges, emergency assistance

Table 26: Costs from Allowed Profit Activities

RON million	2025	2024	2023		25/24
Operating costs	1,481	1,455	1,382	▲	2%
System operation costs	641	716	640	▼	-10%
Expenses related to Technological Own Consumption	541	609	519	▼	-11%
Congestion costs	-	-	0.1	▼	n/a
Electricity consumption expenses in ETN substations	39	46	38	▼	-16%
OTC expenses – transit through distribution networks (according to ANRE Decision)	17	13	-	▲	36%
ITC expenses (Inter TSO Compensation)	43	47	83	▼	-8%
OPCOM administration expenses	0.17	0.34	0.36	▼	-51%
Repairs and maintenance	161	129	115	▲	25%
Personnel expenses	412	373	348	▲	11%
Other costs	267	238	278	▲	12%
Depreciation	389	356	334	▲	9%
Operating costs including depreciation	1,870	1,812	1,716	▲	3%

The operating expenses from allowed profit activities (including depreciation) recorded in 2025 increased by 3% (RON 1,870 million in 2025 compared with RON 1,812 million in 2024), mainly influenced by the

increase in maintenance expenses, personnel expenses, and other costs (primarily taxes and duties expenses +RON 27 million)

System operation costs

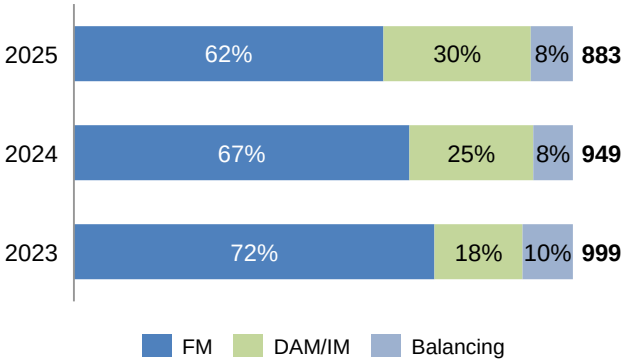
Within the allowed profit activities segment, system operation costs recorded a decrease of 10% (RON 641 million in 2025 compared with RON 716 million in 2024), with the largest impact resulting from expenses related to Technological Own Consumption (OTC).

Expenses related to OTC

During the January–December 2025 period, the costs for purchasing electricity to cover Technological Own Consumption amounted to RON 541 million, which is 11% lower (RON -68 million) compared with 2024, mainly due to the following factors:

- Consumption (OTC) in the Electric Transmission Network (ETN) is strongly dependent on meteorological conditions, the structure of electricity generation and consumption at national level, the distribution of electricity flows within the internal transmission network and on the interconnection lines with neighbouring power systems, its value being very little to not at all controllable under the conditions of an interconnected and coupled regional electricity market;
- as a result of meteorological conditions and the flows on the interconnection lines, the OTC value recorded in 2025 was lower than that recorded in the previous year;
- the elimination of the centralized electricity procurement mechanism (MACEE) with regulated prices starting from 1 April 2024, as well as the removal of electricity and gas price capping schemes starting from 1 July 2025, led to increases in prices on the short-term markets.
- the increase in prices on the European energy market, the reduction of domestic generation capacities based on conventional fuels, and the dependence on volatile renewable generation increase dependence on imports during periods of high demand, thereby raising the price on the spot market. As a result, the average price of energy purchased on the Day-Ahead Market (DAM) in 2025 was higher than in the previous year.
- the Day-Ahead Market (DAM) price is highly dependent on meteorological conditions (drought, precipitation, extreme weather events) and on prices on the European market. The Day-Ahead Market is unpredictable and characterized by a high degree of volatility, with prices potentially increasing by 30–40% within a single week.

Figure 29: OTC procurement mix by quantities purchased from the markets (GWh)

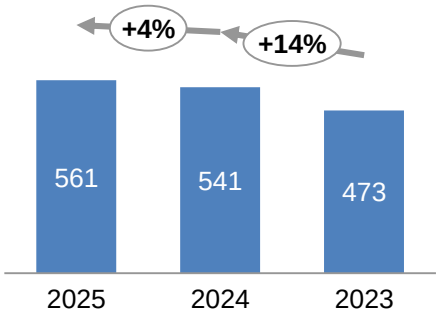


Starting from 1 July 2024, a series of amendments to the Regulation on terms and conditions for balancing responsible parties entered into force, in accordance with the requirements of the European network codes, which led to very high prices on the Balancing Market. These prices show a high degree of volatility and uncertainty, being able to vary significantly, although they remained below the maximum values recorded in 2024.

The Technological Own Consumption recorded during the analyzed period was lower than in the previous year, leading to lower costs related to covering energy imbalances on this market compared with 2024.

The average net price of energy purchased on all markets in 2025 was RON 561/MWh, higher than the price recorded in the same period of 2024, namely RON 541/MWh.

Figure 30: Average total (net) OTC price on markets (RON/MWh)



the average price was calculated at the net value (purchases – sales), also taking into account the expenses related to BRP services)

Expenses related to energy consumption – internal services consumption in ETN and DN substations

In order to carry out electricity transmission activities in electrical substations and to operate the National Power System under safe conditions, the Company must procure electricity to cover the consumption related to internal services in the high-voltage substations under its administration.

These expenses recorded a decrease of RON 7.3 million in 2025 (RON 38.5 million) compared with RON 45.8 million in 2024.

OTC expenses related to transit through distribution networks (according to ANRE Decision)

Within the system operation expenses recorded in 2025, expenses related to OTC associated with additional electricity transits through the networks of concessionaire distribution system operators at the 110 kV voltage level (for the share allocated to the TSO) were recorded, amounting to RON 17.4 million, which is RON 4.6 million higher compared with 2024.

By ANRE Decisions No. 2780/20.12.2024 and No. 2781/20.12.2024, the forecast quantities of OTC and the corresponding costs related to additional electricity transits through the 110 kV electricity networks for 2025 were approved for Rețele Electrice România S.A. and Distribuție Energie Oltenia S.A.

Expenses related to Inter TSO Compensation (ITC)

During the January–December 2025 period, these expenses were RON 4 million lower compared with the same period of the previous year. They are determined within the compensation/settlement mechanism for the effects of the use of the Electric Transmission Network (ETN) for electricity transits between TSOs that have joined this mechanism within ENTSO-E.

The factors influencing the values of costs/revenues related to the ITC mechanism are the electricity exchanges – imports, exports and transits on the interconnection lines of the National Power System (SEN), correlated with the electricity flows transited at the level of all countries participating in the mechanism.

The expenses for repairs and maintenance amounted to RON 161 million, which is RON 32

million higher than in 2024.

Starting from 2025, by ANRE Decision No. 2624/10.12.2024 approving the method for covering the forecast expenses for 2025 from the revenues obtained from the allocation of cross-border interconnection capacity, the performance of ETN maintenance expenditures for certain major and minor maintenance projects was approved, to be financed from the revenues obtained from the allocation of cross-border interconnection capacity.

Depreciation expenses recorded an increase of RON 32 million, mainly influenced by the recognition of depreciation expenses related to tangible and intangible fixed assets (+RON 15 million), calculated based on the fair value of tangible fixed assets as at 31 December 2024, correlated with the commissioning of investment works and the acceptance of assets.

At the same time, in 2025 the depreciation expenses related to intangible assets – additional OTC amounted to RON 91 million, representing an increase compared with January–December 2024 (+RON 17 million).

The additional costs incurred for the purchase of electricity during the period 1 January 2022 – 31 March 2025, in order to cover the technological own consumption (OTC), in excess of the costs included in the regulated tariffs, were capitalized on a quarterly basis, and the assets resulting from such capitalization are depreciated over a period of 5 years from the date of capitalization.

Operating result – allowed profit activities

The allowed profit activities recorded a positive result of RON 463 million in 2025, representing a decrease of RON 68 million compared with the result of RON 531 million achieved in 2024, in the context where operating revenues decreased by RON 10 million, while operating expenses (including depreciation) increased by RON 58 million.

Zero-profit activities

Table 27: Summary of revenues from zero-profit activities

RON million	2025	2024	2023	25/24
Operating revenues	3,240	5,537	2,628	▼ (41%)
System services revenues	564	571	359	▼ (1%)
Balancing market revenues	2,676	4,966	2,269	▼ (46%)

Revenues from zero-profit activities recorded a significant decrease (RON -2,296 million) compared to the same period of the previous year, from RON 5,537 million in 2024 to RON 3,240 million in 2025. This was mainly driven by the reduction in balancing market revenues (RON -2,290 million) due to the prices recorded on the balancing market and the tariff

approved by ANRE compared to the same period of the previous year, in the context of a 0.2% decrease in quantity.

The **zero-profit activities** segment also recorded a decrease in costs of 38% (-RON 2,107 million), from RON 5,489 million in 2024 to RON 3,382 million in

2025, mainly driven by the lower level of expenses on the balancing market.

The revenues/expenses related to the balancing market were more than two times lower in 2025 compared with 2024.

The balancing market was mainly influenced by the following factors:

- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- the evolution of hydrological conditions;
- the evolution of electricity generation and consumption;
- the evolution of the generation of power plants during the testing/commissioning period.
- the accelerated increase in installed capacity of prosumers;
- the improvement of control/monitoring at the level of suppliers regarding the generation of prosumers in

Table 28: Summary of expenses from zero-profit activities

RON million	2025	2024	2023	24/23
Operating costs	(3,382)	(5,489)	2,768	▼ (38%)
System services expenses	(706)	(524)	499	▲ 35%
Balancing market expenses	(2,676)	(4,966)	2,269	▼ (46%)

The revenues from system services recorded a decrease of 1% compared with the same period of the previous year (RON 564 million in 2025 compared with RON 571 million in 2024), mainly due to the reduction of the tariff approved by ANRE for these services, in the context of a 0.2% decrease in the quantity of electricity delivered to consumers.

The procurement of system services/balancing capacity is carried out by the Company based on the requirements established by the National Energy Dispatch Center (DEN), an organizational unit within the Company, which is responsible for ensuring the stability and secure operation of the National Power System (SEN), in accordance with the provisions of ANRE Order No. 127/08.12.2021 approving the Regulation on terms and conditions for balancing service providers and for frequency containment reserve providers, as well as the Regulation on terms and conditions for balancing responsible parties and for the amendment and repeal of certain orders of the President of ANRE, as subsequently amended and supplemented.

During the January–December 2025 period, the Company contracted reactive energy from the Electricity Generation Company in Hydropower Plants “Hidroelectrica” S.A., in accordance with:

their portfolio, as well as the increased focus on estimating and adjusting prosumers’ generation forecasts in relation to their contractual position.

For 2026, the most important factors expected to have a significant impact on the evolution of the balancing market are:

- the regional and European context of the electricity market evolution;
- the ANRE regulatory framework regarding the adjustment of the functioning of the balancing market;
- the evolution of solar and wind generation;;
- the evolution of hydrological conditions,
- the evolution of electricity consumption and the impact of prosumers on the electricity market;;
- precipitation and temperature forecasts;;
- the evolution of contracting on the markets preceding the balancing market;
- the behavior of market participants,

- ANRE Decision No. 2281/2024, regarding the granting of a derogation for the Transmission and System Operator for the market-based procurement of the reactive electricity service for voltage control in the network;
- Transelectrica decisions approving the maximum prices for the procurement of the reactive power system service related to voltage control in the Electric Transmission Network (ETN);
- the achievements/quantities confirmed by the National Energy Dispatch Center (DEN).

It should be noted that, in line with the trend observed on the balancing market, a significant increase in the procurement price of Fast Tertiary Reserve – downward regulation (power reduction) has been recorded starting from May 2025.

While during the first five months of the year the average prices fluctuated between RON 15 and RON 23 per hMW, in June 2025 an explosion of values was recorded, with an overall average exceeding RON 108 per hMW. This increase is not justified by significant changes in demand or supply, nor by objective technical factors, but rather represents a sudden and unilateral change in the bidding behavior of a small group of participants.

The value of **expenses related to system services/balancing capacity** in 2025 recorded an increase of 35% compared with the same period in 2024.

On the balancing capacity market, in line with the evolution trend observed on the balancing market in 2025, a downward trend in the procurement price for aFRR (RRFa) for both upward and downward regulation was recorded, while a rising trend in the procurement price for mFRR (RRFm) for downward regulation was observed during the period May 2025 – August 2025, followed by a sharp downward trend in the procurement price for mFRR for downward regulation during the period September 2025 – December 2025:

- the average procurement price in the first half of 2025 for aFRR (RRFa) upward regulation was RON 60.54/hMW, and in the second half of 2025 – RON 33.34/hMW;
- the average procurement price in the first half of 2025 for aFRR (RRFa) downward regulation was RON 62.76/hMW, and in the second half of 2025 – RON 23.05/hMW;
- the average procurement price in the first half of 2025 for mFRR (RRFm) upward regulation was RON 36.57/hMW, and in the second half of 2025 – RON 37.54/hMW.
- the average procurement price in the first half of 2025 for mFRR (RRFm) downward regulation was RON 32.57/hMW, and in the second half of 2025

– RON 137.11/hMW.

For 2026, we estimate that the evolution of the costs related to the procurement of system services through daily and direction-specific auctions at the level of the National Power Grid Company Transelectrica S.A. will be significantly influenced by:

- the regional and European context of the evolution of the electricity market;
- the ANRE regulatory framework regarding the electricity market;
- the evolution of prices on the balancing market;
- as well as the market behavior of the participants registered on the balancing capacity market.

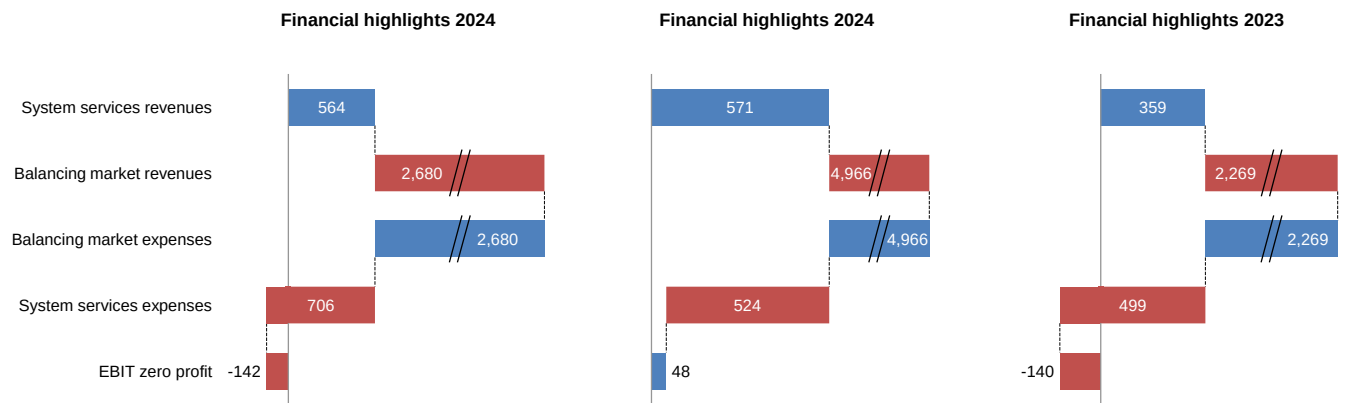
Operating result – zero profit activities

The **EBIT** generated by **zero-profit activities** recorded a negative result of RON 142 million in 2025, compared with 2024, when a positive result of RON 48 million was recorded.

For the system services activity, according to ANRE regulations, the revenue surplus/deficit compared with the recognized costs resulting from the performance of this activity is to be compensated through an ex-post tariff adjustment (negative/positive adjustment) applied by ANRE in the tariff in the years following the year in which the respective surplus/deficit was recorded.

The revenue surplus/deficit compared with the costs resulting from the performance of this activity is calculated over tariff-setting periods.

Figure 31: Results from zero-profit activities (RON million)



Compani gross result (EBT)

In 2025, it recorded a decrease of 41%, from RON 592 million in 2024 to RON 349 million in 2025, mainly in the context of the significant impact of the reduction in revenues from zero-profit activities (balancing market),

as well as the decrease in conjunctural revenues (revenues from emergency assistance and revenues from OTC capitalization).

Financial result

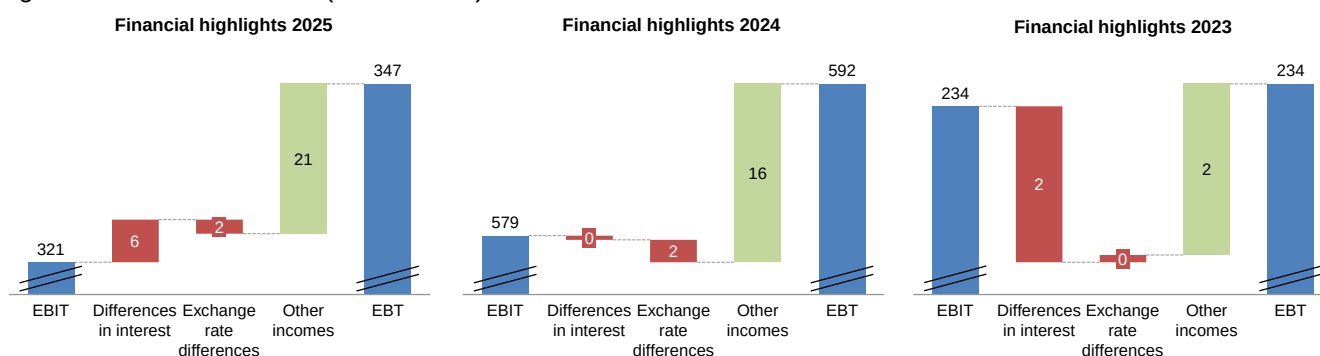
The financial result recorded in 2025, with a net value of RON 25 million, compared to the result of RON 13 million in the same period last year, was mainly influenced by the dividends received from the

subsidiaries Opcom SA and Teletrans SA, as well as by the increase in interest income received during the analyzed period.

Table 29: Evolution of the exchange rate as at 31 December

RON	2025	2024	2023		25/24
1 EUR	5.0985	4.9741	4.9746	▲	2.5%
1 USD	4.3417	4.7768	4.4958	▼	(9%)

Figure 32: Financial results (RON million)



Net result

The decrease in net profit at the end of 2025 to RON 360 million, compared to RON 586 million in 2024, is impacted by the results of zero-profit activities during the analyzed period, in a context where the profit-allowed activities' results were primarily diminished by

a RON 196 million drop in the "Other income" component, e.g., one-off revenues that did not recur in 2025 (emergency aid revenues, the litigation won against ANAF in 2024).

11.2. Balance sheet – Financial position

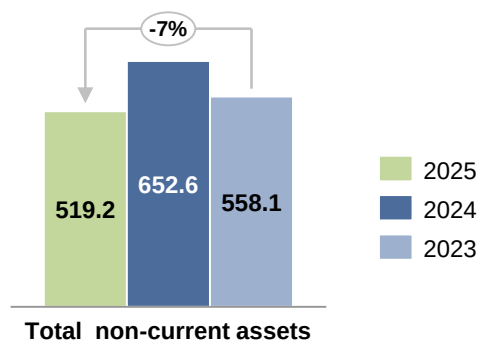
RON million	2025	2024	2023	25/24
Non-current assets				
Tangible fixed assets	6,182	5,775	5,416	▲ 7%
Right-of-use assets related to leased assets – buildings	2	6	14	▼ (64%)
Intangible assets	259	312	282	▼ (17%)
Financial assets	88	86	86	▲ 2,5%
Total	6,531	6,179	5,798	▲ 6%
Current assets				
Inventories	45	47	51	▼ (5%)
Trade receivables and related accounts	3,349	3,779	2,116	▼ (11%)
Corporate income tax receivable	12	-	-	—
Cash and cash equivalents	734	672	519	▲ 9%
Total	4,140	4,497	2,686	▼ (8%)
TOTAL ASSETS	10,671	10,676	8,484	▼ n/a
Equity				
Share capital	733	733	733	▼ n/a
Reserves	1,900	1,967	2,027	▼ (3%)
Retained earnings	3,333	3,115	2,430	▲ 7%
Total	5,966	5,815	5,190	▲ 3%
Long-term liabilities				
Long-term borrowings	1	8	32	▼ (81%)
Other borrowings and similar liabilities – building lease – long-term	-	-	6	—
Other long-term liabilities	1,035	875	879	▲ 18,3%

RON million	2025	2024	2023	25/24
Total	1,037	883	918	▲ 17%
Short-term liabilities				
Trade payables and other liabilities	3,407	3,862	2,242	▼ (12%)
Short-term borrowings	179	24	25	▲ 638%
Other borrowings and similar liabilities – building leases	2	7	9	▼ (65%)
Other short-term liabilities	80	86	100	▼ (7%)
Total	3,669	3,978	2,376	▼ (8%)
Total liabilities	4,705	4,861	3,294	▼ (3%)
EQUITY AND LIABILITIES	10,671	10,676	8,484	▼ n/a

Assets

Non-current assets recorded in 2025, compared with December 2024, an increase of RON 352 million, mainly driven by the increase in the net value of tangible fixed assets (+RON 408 million).

Figure 33: Value of fixed assets recorded in the accounts (excluding VAT, RON million)



The largest transfers from tangible assets under construction to tangible fixed assets mainly resulted from the commissioning of investment projects, the modernization of electricity transformer substations, relocations of overhead power lines (OHL), and connections to the electric network, among which the most significant are listed below:

- Upgrade to the 400 kV voltage level of the Porțile de Fier – Reșița – Timișoara – Săcălaz – Arad corridor – Stage I – 400 kV OHL single circuit Porțile de Fier – (Anina) – Reșița – RON 176.8 million;
- Increase in operational reliability of the Argeș–Vâlcea network area, construction of the 400 kV Arefu Substation and installation of a 400 MVA, 400/220 kV autotransformer (AT) – RON 82.8 million;
- Increase in the security of supply for consumers in the southern area of Bucharest connected to the 400/220/110 kV Bucharest South Substation – RON 70.4 million.
- 220 kV double-circuit OHL Ostrovu Mare – ETN, Stage I + Stage II (BoD Decision No. 17/2007) – RON 50 million;
- 400 kV double-circuit OHL Gutinaș – Smârdan (Stage I and II of financing) – RON 26.6 million;

- Optimization of the operation of existing 400 kV OHLs within the National Power System (SEN) used for interconnection and for power evacuation from the Cernavodă Nuclear Power Plant and renewable energy plants in Dobrogea, through the installation of online systems (SMART GRID type) – RON 20.6 million;
- Relocation/protection of the 400 kV high-voltage network – 400 kV OHL single circuit Urechești–Domnești and 400 kV OHL single circuit Brazi Vest–Domnești at the intersection with the Bucharest Ring Motorway (km 0+000, km 100+900, Lot 3, Sector 1, km 85+300, km 100+765 – Southern Ring, Sector 2, km 0+00) – RON 15.3 million.

The acquisitions of tangible and intangible fixed assets in 2025 amounted to RON 590 million, representing a decrease compared with the same period of 2024, when acquisitions totaled RON 674.3 million.

At the same time, the balance of tangible assets under construction, according to the financial position as at 31 December 2025, amounting to RON 1,152 million, represents ongoing projects related to the modernization of electricity transformer substations, relocations of overhead power lines (OHL), and connections to the electric network, the most significant of which are listed below:

- 400 kV double-circuit OHL Gutinaș – Smârdan – RON 318.6 million;
- Installation of two modern reactive power compensation systems in the 400/220/110/20 kV substations Sibiu South and Bradu – RON 207 million.
- Refurbishment of the 400/110 kV Pelicanu transformer substation – RON 97.4 million;
- Refurbishment of the 400 kV Isaccea Substation – Stage II – RON 68.9 million;
- Upgrade to 400 kV of the 220 kV OHL Brazi Vest – Teleajen – Stâlp, including the procurement of a 400 MVA, 400/220/20 kV autotransformer (AT) and expansion works of the associated 400 kV and 220

kV substations at the 400/220/110 kV Brazi Vest Substation – RON 63.4 million;

- Refurbishment of the 400/110/20 kV Smârdan Substation – RON 49.5 million.
- Connection to the ETN of the 300 MW Ivești Wind Power Plant (WPP), the 88 MW Fălciu 1 WPP and the 18 MW Fălciu 2 WPP through the new (400)/220/110 kV Banca Substation – RON 46.9 million;
- S 400 kV Stâlpu Substation – RON 44.3 million;
- Refurbishment of the 110 kV Medgidia South Substation – RON 28.4 million;
- Replacement of Transformer No. 4 – 250 MVA, 400/110 kV at the 400/110 kV Drăgănești-Olt Substation – RON 23 million.
- Upgrade to the 400 kV voltage level of the Porțile de Fier – Reșița – Timișoara – Săcălaz – Arad corridor, Stage II – 400 kV double-circuit OHL Reșița – Timișoara – Săcălaz – RON 18,900,461; Modernization of the 220/110 kV Calafat Substation – RON 17.8 million;
- Refurbishment of the 110 kV Timișoara Substation and upgrade to the 400 kV voltage level of the Porțile de Fier – Anina – Reșița – Timișoara – Săcălaz – Arad corridor, Stage II: 400 kV Timișoara Substation – RON 15.3 million;
- Power Quality Monitoring System (PQMS) – RON 13.3 million.

Right-of-use assets related to leased assets – buildings

The right-of-use assets related to leased buildings represent the right to use the premises rented by the Company in the Platinum office building, in accordance with the provisions of IFRS 16 – Leases. The lease agreement entered into force on 01.10.2020 and is valid for a period of 5 years.

On 05.05.2025, Addendum No. 2 to Contract C232/2020 was signed, extending the duration under the same conditions by 6 months, until 01.04.2026.

As at 31 December 2024, the carrying amount of the right to use the premises rented by the Company in the Platinum office building amounted to RON 2 million.

The last revaluation of assets was carried out on 31 December 2023. Accordingly, the Company recorded in its accounting records the result of the revaluation report performed by Appraisal & Valuation, the appraisal and consultancy division within NAI Romania, an independent valuer authorized by the National Association of Authorized Valuers in Romania (ANEVAR).

Assets belonging to the public domain of the State and concessioned to the Company, representing

completed tangible fixed assets financed from the Company's own funding sources, shall be included in the inventory of assets belonging to the public domain of the State after the recovery of the Company's own financing sources, at the time of approval, by Government Decision, of the inventory of assets belonging to the public domain of the State.

Intangible assets

Intangible assets under construction as at 31 December 2025 recorded a balance of RON 14.6 million, representing projects currently in progress, of which the most significant are:

- Implementation of new functions and software modifications in the EMS–SCADA information system for the implementation of European and national legislative requirements – RON 6.3 million;
- Power Quality Monitoring System (PQMS) – RON 3.7 million;
- Development of the MARI platform – RON 3.1 million;
- Development of the PICASSO platform – RON 0.6 million;
- Development of the Capacity Management Module (CMM) platform – RON 0.4 million.

In 2025, transfers from intangible assets under construction to intangible assets amounting to RON 36.8 million were recorded, of which the most significant are:

- Modernization of the Transelectrica messaging system – RON 12.9 million;
- Replacement of hardware components, updating and development of specific applications of the Balancing Market Platform – II DAMAS, including the procurement of migration and upgrade services for applications specific to the Balancing Market – RON 11.5 million;
- Development of dedicated software required for determining reserve quantities using the probabilistic method – RON 5.9 million..

Starting 30 September 2022, the Company applies the provisions of Government Emergency Ordinance (GEO) No. 119/2022, according to which the additional costs related to the procurement of electricity incurred in order to cover technological own consumption (TOL), compared to the costs recognized in the regulated tariffs, are capitalized on a quarterly basis.

Accordingly, the capitalized costs are amortized over a period of 5 years from the date of capitalization and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority

(ANRE), applicable over the amortization period of those costs, and are recognized as a distinct component..

In 2025, revenues from the capitalization of additional technological own consumption (TOL) were recorded only in the first quarter, amounting to RON 0.9 million (non-monetary in nature), representing additional costs related to the procurement of electricity for covering technological own consumption compared to the cost recognized in the tariff.

The net carrying amount of the intangible asset resulting from the capitalization of additional TOL amounts to RON 208 million.

Financial assets

The balance of financial assets as at 31 December 2025 and 31 December 2024, amounting to RON 87.9 million, is mainly represented by:

- shares held by the Company, with a net value of RON 83.4 million;
- 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 regarding the Forestry Code, for the purpose of implementing investment objectives, as follows:
 - 400 kV OHL Reșița – Pančevo (Serbia) – RON 4.2 million
 - 220 kV double-circuit OHL Ostrovu Mare – ETN – RON 0.2 million.

Starting March 2025, the Company participates with a 25% contribution to the share capital of GECCO Power Company – Green Energy Corridor Power Company Limited Liability Company, amounting to RON 3.7 million.

The founding shareholders of the project company are Transelectrica, JSC Georgian State Electrosystem, AzerEnerji, and MVM Energy. The company will implement the Green Corridor project, consisting of a 1,200 km high-voltage direct current (HVDC) submarine cable that will cross the Black Sea and connect Romania and Georgia, with the connection further extended to Hungary and Azerbaijan.

Furthermore, on 23 September 2025, the merger by absorption procedure was completed between the subsidiary Teletrans S.A. – Company for Telecommunications Services and Information Technology in the Electric Transmission Networks, as the absorbing company, and Formenerg S.A., as the absorbed company (both companies being subsidiaries of the Company).

In accordance with the applicable legislation, starting 23 September 2025, the subsidiary Teletrans assumed

all rights and obligations previously undertaken by the subsidiary Formenerg prior to the merger.

As a result of the merger of the two subsidiaries, the equity interests held by Transelectrica in Teletrans increased by 104, simultaneously with the reduction of the equity interests held by Transelectrica in FORMENERG.

Current assets

Current assets as at 31 December 2025, amounting to RON 4,140 million, recorded a decrease of 8% compared to the value registered as at 31 December 2024 (RON 4,497 million), mainly due to the decrease in receivables.

Trade receivables recorded a decrease of 6% compared to 31 December 2024 (RON 2,702 million as at 31 December 2024, compared to RON 2,535 million as at 31 December 2025). The most significant developments were recorded in:

- *customers related to operational activities*, which, due to the decrease in the volume of transactions resulting from the coupling of electricity markets (fourth quarter of 2025 compared to the fourth quarter of 2024), generated a lower balance of receivables from operational activities (RON 1,884 million as at 31 December 2025, compared to RON 1,899 million as at 31 December 2024);
- *customers – balancing market*, where the decrease in the volume of transactions on the balancing market in the fourth quarter of 2025, compared to the fourth quarter of 2024, also led to a 25% decrease in the balance of customers under contracts concluded for this type of activity (RON 502 million as at 31 December 2025, compared to RON 668 million as at 31 December 2024).

The main customers within total trade receivables are: Bursa Română de Mărfuri, IBEX, MAVIR, Ciga Energy S.A., Hidroelectrica, Electrica Furnizare S.A., OPCOM, PPC Energie S.A., RAAN, and JAO.

Their share represents 72.22% of total trade receivables.

- *customers – support scheme*, which recorded an increase in 2025 (+RON 13 million), mainly driven by the increase in the invoiced amount for the collection of the monthly contribution..

The Company carries out the activities related to the bonus-type support scheme for the promotion of high-efficiency cogeneration, in its capacity as administrator of the support scheme, in accordance with the provisions of Government Decision No. 1215/2009, „the main responsibilities being the monthly collection of the cogeneration contribution and the monthly payment of bonuses.”

As at 31 December 2025, the Company records receivables amounting to RON 145 million (RON 132 million as at 31 December 2024), represented by invoices issued under the bonus-type support scheme for the promotion of high-efficiency cogeneration, mainly consisting of:

- overcompensation for the period 2011–2013 amounting to RON 76.70 million, respectively RON 63.46 million from RAAN and RON 13.23 million from CET Govora S.A.;
- unduly received bonus for 2014 amounting to RON 3.91 million, respectively RON 1.98 million from RAAN and RON 1.93 million from CET Govora;
- unduly received bonus for 2015 amounting to RON 0.56 million, respectively RON 0.53 million from CET Govora and RON 0.03 million from Interagro;
- unduly received bonus for 2020 amounting to RON 0.52 million from Donau Chem.
- cogeneration contribution not collected from electricity suppliers of end consumers, amounting to RON 20.4 million, respectively from: Transenergo Com – RON 5.9 million, Petprod – RON 4.4 million, Romenergy Industry – RON 2.7 million, RAAN – RON 2.4 million, UGM Energy – RON 1.5 million, CET Govora – RON 0.9 million, KDF Energy – RON 0.5 million, and others.

By the date of this report, the Company has collected all receivables related to the overcompensation of the activity under the support scheme for 2024 (amounting to RON 8.6 million) from ContourGlobal Solutions, as well as RON 8.4 million from the unduly received bonus established through ANRE Decisions for 2024, from the following producers: Bepco S.R.L., Electro Energy Sud, Electrocentrale București, Electrocentrale Craiova, Electroulaj S.A., Municipality of Iași, Soceram S.A., Termoficare Oradea, Thermoenergy Group, and Vest Energo.

Other receivables as at 31 December 2025, amounting to RON 245 million, recorded an increase of 6% and mainly include:

- various debtors (RON 104 million), of which:
 - late payment penalties charged to customers with overdue payments, amounting to RON 75 million (of which RON 25.85 million represents penalties related to the support scheme).

The highest late payment penalties were recorded from: Romelectro (RON 24.5 million), RAAN (RON 17 million), CET Govora (RON 9.6 million), Electromontaj S.A. (RON 5.9 million), OPCOM (RON 4.6 million), Total Electric Oltenia (RON 3.3 million), Multiservice G&G S.R.L. (RON 2.2 million), Petprod (RON 1.9 million), GE Digital Service Europe (RON 1 million),

and ISPE Proiectare și Consultanță (RON 1 million).

- compensations owed by suppliers for the non-delivery of electricity: Arelco Power (RON 0.99 million), Enol Grup (RON 2.54 million) and Next Energy Partners (RON 8.39 million);
- receivable to be recovered from OPCOM, representing the VAT related to the in-kind contribution to the share capital of the subsidiary, amounting to RON 4.52 million. Some prime with character of subsidy RON 31 mil (9.9 la 31 decembrie 2024) aferentă contractelor de racordare la RET;
- prepaid expenses amounting to RON 8.7 million, mainly representing technological own consumption (TOL) – RON 5.7 million, insurance policies – RON 1.7 million, and others;
- other social receivables amounting to RON 3 million, representing medical leave benefits paid by the employer to employees, amounts to be recovered from the National Health Insurance House, in accordance with the applicable legislation.

Advances to suppliers paid as at 31 December 2025, represented by supplier debtors for services rendered, amounting to RON 372 million, recorded a significant decrease compared to December 2024, when they amounted to RON 770 million.

The balance mainly represents amounts from transactions related to the price coupling mechanism (ICP – Interim Coupling Project, SIDC – Single Intraday Coupling, SDAC – Single Day-Ahead Coupling and IDA – IntraDay Auction), namely MAVIR – RON 303.2 million, IBEX – RON 56.2 million and JAO – RON 12.9 million

The successful launch of the SDAC – Single Day-Ahead Coupling took place on 28 October 2021 and represents the result of the cooperation between the Nominated Electricity Market Operators (NEMOs) and the Transmission System Operators (TSOs) from Bulgaria and Romania, respectively IBEX EAD, OPCOM S.A., ESO EAD, and Transelectrica. The objective of SDAC is to create a single pan-European cross-border day-ahead electricity market.

In its capacity as transfer agent for the Romanian bidding zone, the National Power Grid Company Transelectrica S.A. has the role of settling the energy traded between OPCOM S.A. and IBEX.

The launch of flow-based market coupling in the Core region, on 8 June 2022, represented the transition from the ICP – Interim Coupling Project coupling mechanism to FBMC – Flow-Based Market Coupling, optimizing the European electricity market for 13 countries: Austria, Belgium, Croatia, the Czech

Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia, and Slovenia.

Within the FBMC project, Transelectrica performs both the role of Shipper (Transfer Agent) and CCP – Central Counterparty. In its capacity as CCP, the Company is responsible for transferring the financial flows generated by the electricity flows resulting from the market coupling process

VAT receivable, amounting to RON 393 million, relates to VAT returns for the period September–December 2025, of which, by the date of this report, the amount of RON 267 million has been collected,

Equity and liabilities

Long-term liabilities, amounting to RON 1,037 million as at 31 December 2025, recorded an increase of 17% compared to the value recorded as at 31 December 2024, which amounted to RON 883 million.

Interest-bearing liabilities

As at 31 December 2025, the value of long-term borrowings decreased compared to 31 December 2024 (–RON 6 million), mainly due to repayments made in accordance with the existing loan agreements.

At the same time, the value of short-term borrowings recorded, compared to the same period of the previous year, an increase from RON 24.3 million as at 31 December 2024 to RON 179.4 million as at 31 December 2025.

The Company has concluded a credit agreement with Banca Comercială Română for a period of 12 months, intended for the financing of the bonus-type support scheme for high-efficiency cogeneration, in the form of an overdraft facility, amounting to RON 175 million, with an interest rate calculated based on the ROBOR 1M reference rate, to which a 0% margin and a 0.088% fee are added.

As at 31 December 2025, the credit facility is utilized at a level of 99%.

Short-term liabilities recorded a decrease of 8%, from RON 3,978 million as at 31 December 2024 to RON 3,669 million as at 31 December 2025, mainly against the background of the increase in short-term borrowings.

The **evolution of trade payables** was influenced by:

- **suppliers on the electricity market**, which decreased by RON 570 million, recording a balance of RON 1,683 million as at 31 December 2025, compared to RON 2,253 million as at December 2024.

This dynamic was mainly influenced by:

representing the value added tax claimed for refund for the period September–November 2025.

Impairment adjustments outstanding as at 31 December 2025, calculated for trade receivables and the related penalties, amount to RON 196 million. The largest amounts are recorded for JAO (RON 30.8 million), CET Govora (RON 24.6 million), Romelectro (RON 24.5 million), Arelco Power (RON 14.5 million), Total Electric Oltenia S.A. (RON 14.2 million), Romenergy Industry (RON 13.5 million), Elsaco Energy (RON 9.3 million), OPCOM (RON 9.1 million), RAAN (RON 8.5 million), and Next Energy Partners (RON 8.4 million).

- *the decrease in the balance of liabilities related to operational activities* by RON 417 million, influenced by the price formation model based on supply and demand for electricity market coupling. Implicit allocations, in which capacity and energy are allocated simultaneously, were strongly influenced by variations in electricity prices on European power exchanges.

Suppliers on the electricity market are mainly represented by: MAVIR, IBEX, Hidroelectrica S.A., Electrica Furnizare S.A., Bursa Română de Mărfuri, Complexul Energetic Oltenia S.A., Electrocentrale București, OPCOM, CIGA Energy S.A., and Joint Allocation Office. As at 31 December 2025, their share in the total electricity suppliers is 81.53% (86.30% as at 31 December 2024).

- *the decrease in the balance of “liabilities related to the balancing market”* by RON 194 million was mainly determined by the decline in the volume of transactions recorded on the balancing market in the fourth quarter of 2025, compared to the fourth quarter of 2024.

- *the increase in liabilities related to the support scheme towards suppliers (producers)* by RON 35 million was determined by the increase in the monthly bonus for high-efficiency cogeneration in December 2025, compared to December 2024.

- **suppliers of fixed assets** increased by RON 180 million, due to the acquisition of fixed assets received towards the end of the year, for which the payment term falls in 2026;
- **suppliers – other activities** decreased by 16% (–RON 13 million), the decrease being mainly represented by liabilities related to services provided by third parties that had not yet reached maturity, which recorded a decrease compared to 31 December 2024;

- **“other liabilities”** decreased by 4% (–RON 55 million), from a balance of RON 1,372 million as at 31 December 2024 to RON 1,323 million as at 31 December 2025.

The **structure of “other liabilities”** is as follows:

- various creditors, amounting to RON 235 million (a decrease of RON 150 million compared to 31 December 2024), mainly represented by the net position of the support scheme for high-efficiency cogeneration, recorded as a liability (RON 205 million), contracts for solution studies for connection to the ETN (RON 26.2 million), royalty for the fourth quarter of 2024 (RON 1.9 million), and others (RON 1.2 million).
- customer creditors as at 31 December 2025, amounting to RON 672 million (a decrease of RON 163 million compared to 31 December 2024), mainly represent amounts received in advance within transactions related to price coupling mechanisms, amounting to RON 667.5 million (ICP – Interim Coupling Project, SIDC – Single Intraday Coupling, SDAC – Single Day-Ahead Coupling, FBMC – Flow-Based Market Coupling and IDA – IntraDay Auction), from: BRM (RON 412 million), IBEX (RON 152 million), MAVIR (RON 68 million), OPCOM

(RON 36 million) and JAO (RON 1 million).

- dividends due to the Company's shareholders and unpaid as at 31 December 2025, amounting to RON 0.6 million, are available to shareholders through the payment agent.
- the liability related to fixed assets corresponding to the rights of use of assets leased – buildings, in accordance with the provisions of IFRS 16 – Leases, amounts to RON 2.3 million.
- other short-term liabilities, amounting to RON 407 million, are mainly represented by performance guarantees for payment obligations under electricity market contracts concluded by Transelectrica, amounting to RON 373 million, and VAT not yet chargeable during the reporting period, amounting to RON 34 million.

➤ Equity

Equity recorded an increase of 3% (+RON 151 million) as at 31 December 2025.

Thus, equity at the end of 2025 amounts to RON 5,966 million, compared to RON 5,815 million as at 31 December 2024.

Table 30: Cash Flow

Million RON	2024	2023	2022		24/23
Operational activity					
Cash flow before changes in working capital	710	795	630	▼	(84.7)
Changes in working capital	156	50	76	▲	106.3
Interest and taxes paid	(45)	(31)	(36)	▼	(13.4)
Net cash from operating activities	822	813	670	▲	8.2
Investment activity					
Acquisitions of tangible and intangible assets	(682)	(674)	(439)	▼	(7.2)
Proceeds from investment activities	44	53	125	▼	(8.5)
Equity interests held in SELENE CC	0.0	0.0	0.2	▼	-
Equity interests held in GECCO Power Company Corridor Power Company SRL	(3.8)	0.0	0.0	▼	(3.8)
Dividends received	23	16	2	▲	7.4
Cash used in investing activities	(618)	(606)	(312)	▼	(12.1)
Financing activities					
Repayments of long-term loans	-24	(24)	(24)	▼	(0.26)
Repayments of short-term loans	-	-	(68)	▼	-
Use of working capital credit facility	-11	(11)	(11)	▼	(0.17)
Building lease payments	-279	(20,6)	(52)	▼	(258.2)
Dividends paid	(314)	(55)	(154)	▼	(258.6)
Cash used in financing activities	(314)	(55)	(154)	▼	(258,6)
Net decrease in cash and cash equivalents	(110)	152	204	▼	(262.5)
Cash and cash equivalents as at 1 January	672	519	315	▲	152.2
Cash and cash equivalents at year-end	561	672	519	▼	(110.3)

Table 31: Economic and financial indicators in accordance with ASF Regulation 5/2018

Indicator	Calculation formula	2024	2024	2023
Profitability indicators				
EBITDA as a percentage of total sales	$\frac{\text{EBITDA}}{\text{Turnover}}$	13%	12%	12%
EBITDA as a percentage of equity	$\frac{\text{EBITDA}}{\text{Equity}}$	12%	16%	11%
Gross profit margin	$\frac{\text{Gross profit}}{\text{Turnover}}$	6%	8%	5%
Equity rate of return	$\frac{\text{Net profit}}{\text{Equity}}$	6%	10%	4%
Liquidity ratios				
Current liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.13	1.13	1.13
Quick liquidity ratio	$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	1.12	1.12	1.11
Risk indicators				
(1) Debt-to-income ratio *	$\frac{\text{Borrowed capital}}{\text{Equity}}$	3.07%	0.67%	1.38%
(2) Debt-to-income ratio *	$\frac{\text{Borrowed capital}}{\text{Capital employed}}$	2.98%	0.66%	1.36%
Interest coverage ratio %	$\frac{\text{EBIT}}{\text{Interest expense}}$	58.46	80.38	29.60
Performance indicators				
Receivables turnover rate – customers	$\frac{\text{Average customer balance}^{**} \times \text{no. of days}}{\text{Turnover}}$	71.20	51.58	79.37
Non-current asset turnover	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.84	1.23	0.80

* Within the debt ratios, borrowed capital includes short-term loans, long-term loans and other short-term and long-term loans/similar liabilities relating to building leases in accordance with IFRS 16.

**Customers contributing to turnover (energy, balancing, other customers, customers with invoices to be issued) were taken into account when calculating the average balance. The corresponding values for customers: uncertain, from the market coupling mechanism, the cogeneration scheme and overcompensation, were not included in the average balance.

Table 32: Performance indicators – Management plan, in accordance with GMS No. 13/22.12.2025

Objective/Performance indicators MANAGEMENT BOARD in accordance with GMS Resolution No. 13/22.12.2025

No.	Indicator name	Unit	Share in the variable component	Achieved 2025	Target 2025	Level of achievement
Financial indicators						
1	Equity expenses ratio	%	5.00%	6.48%	5.57%	5.00%
2	Implementation of the Annual Investment Plan as a percentage of the figures set out in the Investment Plan approved by the GMS	%	10.00%	104.91%	91%	10.00%
3	Dividend payout ratio (in accordance with the provisions of Government Ordinance 64/2001)	%	25.00%	0	50%	25.00%
4	Current liquidity ratio	nr	25.00%	1.13	1.04	25.00%
5	Asset turnover ratio	nr	5.00%	0.52	0.52	5.00%
6	Return on assets (ROA)	%	5.00%	3.37%	2.05%	5.00%
Total financial indicators			75.00%			75.00%
Non-financial indicators						
1	Implementation of the Annual Maintenance Plan	%	10.00%	97%	90%	10.00%
2	Average number of training hours per employee	nr	3.00%	22.82	18.00	3.00%
3	Number of safety training sessions	nr	3.00%	5.00	5.00	3.00%
4	Number of meetings, Board of Directors Committee	nr	3.00%	66	38	3.00%
5	Domestic electricity consumption	MW	3.00%	46,204	46,400	3.00%
Non-commercial indicators						
6	Gender pay gap	%	3.00%	5.08%	0.50%	-
Total non-financial and non-commercial indicators			25.00%			22.00%
TOTAL INDICATORS			100.00%			97.00%

Objective/Performance indicators SB in accordance with GMS Resolution No. 13/22.12.2025

No.	Indicator name	Unit	Share in the variable component	Achieved 2025	Target 2025	Level of achievement
Financial indicators						
1	Interest coverage ratio	nr	20.00%	205	4.00	20.00%
2	Outstanding payments to the State Budget	RON	15.00%	0,0	0%	15.00%
3	Reduction in Arrears	RON	15.00%	0,0	0%	15.00%
Total financial indicators			50.00%			50.00%
Non-financial indicators						
1	Customer retention rate	%	5.00%	100%	100.00%	5.00%
2	Customer satisfaction score	%	5.00%	98%	75%	5.00%
3	Number of Supervisory Board meetings	nr	15.00%	24	10	15.00%
4	Number of Committee meetings	nr	15.00%	17	10	15.00%
5	Establishing risk management policies	%	10.00%	YES	DA	10.00%
Total non-financial indicators			50.00%			50.00%
TOTAL INDICATORS			100.00%			100.00%

12. Regulated tariffs for electricity transmission

General framework

The transmission tariff regulatory model currently applied in Romania is the revenue cap model.

The model entails the regulation of the total allowed revenue of the transmission network operator and includes, as objectives, ensuring the prerequisites necessary for the efficient operation of the transmission service and for maintaining the financial viability of the operator, in order to provide adequate remuneration to financiers and to preserve access to financing.

The model incorporates operational efficiency incentive mechanisms and a financial return framework based on the control of the investments made by the operator (the Regulated Asset Base – RAB) and on a regulated rate of return established on the basis of the estimated weighted average cost of capital of the operator.

The pricing of electricity transmission services is carried out over regulatory periods. Regulatory periods represent multiannual tariff regulation cycles (currently five years), during which a tariff calculation methodology is applied and for which a complete set of parameters is predetermined over the respective period for the effective calculation of tariffs. The establishment of tariff parameters over multiannual horizons provides a high level of predictability and visibility with respect to Transelectrica's investments, operating costs and revenues.

The establishment of tariff parameters over multiannual horizons provides a high level of predictability and visibility with respect to Transelectrica's investments, operating costs and revenues.

Within a regulatory period, tariffs are reviewed on an annual basis and remain valid for periods of 12 months from the date of approval (tariff years).

Differences between the forecast and the actual values of the tariff calculation parameters for a given tariff year are compensated through ex-post adjustments implemented in the tariff in subsequent tariff years or at the beginning of the immediately following regulatory period.

In the case of certain specific components of the regulated cost base that are subject to caps, any exceedance of the forecast level of such costs is not compensated. Likewise, in the case of certain cost components, the savings achieved are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- the costs related to the current operation of the service: controllable and uncontrollable operation and maintenance costs, technological own consumption, internal network congestion costs, and the costs and revenues related to the financial compensation mechanism for electricity transits within ENTSO-E;
- the costs related to service development: planned investments in the transmission network, the depreciation schedule based on regulated service lives, and the return on invested capital determined on the basis of a regulated rate of return applied to the Regulated Asset Base;
- the quantity of billable electricity.

Transmission tariffs are invoiced on the basis of the quantities of active electrical energy injected into/withdrawn from the public electricity networks on the territory of Romania, with the exception of imports/exports.

Transelectrica charges a transmission tariff for injection into the public electricity networks (the TG tariff component) and for withdrawal from the public electricity networks (the TL tariff component).

The TG component does not apply to electricity generated by power plants with an installed capacity of up to 5 MW. Likewise, TG does not apply to imported electricity. The TL component does not apply to exported electricity.

Tariffs applicable in 2025

I) Transmission tariff applied in 2025

By Order of the President of ANRE No. 99/2024, the tariffs for the injection of electricity into the transmission network (T_G) and for the withdrawal of electricity from

the network (T_L), applied by NPG CO. Transelectrica S.A., were approved, effective as of 1 January 2025, as set out in the table below:

Table 33: Transmission tariff

<i>Electricity tranmission</i>	<i>unit</i>	<i>Tariff applied in 2024</i>	<i>Tariff in force starting with 1 Jan 2025 according to ANRE Order No. 99/20.12.2024</i>	<i>Difference (%)</i>
(1)	(2)	(3)	(4)	(5)=(4)/(3)
<i>T_G (injection component into networks)</i>	<i>RON/MWh</i>	3.82	3.29	-13.87%
<i>T_L (withdrawal component from networks)</i>	<i>RON/MWh</i>	27.72	33.03	19.16%

Starting from 1 January 2025, the notion of “average transmission tariff” was eliminated.

Until 1 January 2025, ANRE approved an average transmission tariff value, as well as the values of the injection tariff T_G (tariff paid by producers) and the withdrawal tariff T_L (tariff paid by consumers). In the performance of transmission contracts, only the T_G and T_L tariffs are applied.

The average transmission tariff had only an indicative value and represented an indicator of the evolution over

time of the transmission tariff as a whole, irrespective of the manner in which costs were allocated between the two tariffs, T_G and T_L.

The tariff components comprising the tariffs for the injection of electricity into the transmission network (T_G) and for the withdrawal of electricity from the network (T_L), applied by NPG CO. Transelectrica S.A., effective as of 1 January 2025, are presented in the tables below:

Table 34: Tariff for Injection of Electricity into the Transmission Network (T_G)

	<i>Tariff as of 1 January 2025 (RON/MWh), pursuant to ANRE Order No. 99/20.12.2024</i>	<i>Tariff component corresponding to the regulated OTC revenue recovered from producers (C_OTC_P) (RON/MWh)</i>	<i>Tariff component corresponding to the additional capitalized regulated OTC revenue recovered from producers (C_OTC_S_P) (RON/MWh)</i>
Injection tariff for electricity into the transmission network (T_G)	3.29	2.84	0.45

Table 35: Tariff for Withdrawal of Electricity from the Transmission Network (T_L)

	<i>Tariff as of 1 January 2025 (RON/MWh), pursuant to ANRE Order No. 99/20.12.2024</i>	<i>Tariff component corresponding to the regulated non-OTC revenue (CT_nonOTC) (RON/MWh)</i>	<i>Tariff component corresponding to the regulated OTC revenue recovered from final customers (C_OTC_C) (RON/MWh)</i>	<i>Tariff component corresponding to the additional capitalized regulated OTC revenue recovered from final customers (C_OTC_S_C) (RON/MWh)</i>
Withdrawal tariff for electricity from the network (T_L)	33.03	24.01	7.73	1.29

Furthermore, pursuant to the provisions of the Methodology for Setting Tariffs for the Electricity Transmission Service approved by Order of the President of ANRE No. 68/2024, ANRE approved, by Order No. 99/2024, the values of the annual investment plans of NPG CO. “Transelectrica” S.A. corresponding to the fifth regulatory period (2025–2029), broken down by sources of financing, as well as the mandatory

minimum value for the total investments to be carried out from own sources during the fifth regulatory period and the mandatory minimum values for investments to be made in the Electricity Transmission Grid from own sources corresponding to the fifth regulatory period, for the National Electricity Transmission Company “Transelectrica” — S.A., as set out in the tables below:

Table 36: Values of the Annual Investment Plans for the Fifth Regulatory Period, Broken Down by Sources of Financing

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

For own funds¹, the value of the Regulated Rate of Return (RRR) on invested capital, expressed in real terms and before taxation, for the fifth regulatory period is 6.94% (as established by ANRE Order No. 55/2024).

With regard to non-reimbursable funds², an incentive of 0.5 percentage points above the regulated rate of return shall apply to fixed assets related to investments in the ETG carried out from own funds within projects co-financed from non-reimbursable European funds, commissioned during the fifth regulatory period. This incentive shall be granted upon the adjustment of the capital costs related to the fifth regulatory period, in

accordance with the provisions of the Methodology for Setting Tariffs for the Electricity Transmission Service.

The mandatory minimum value for the total investments to be carried out from own sources during the fifth regulatory period and the mandatory minimum values for investments to be made in the Electricity Transmission Grid from own sources corresponding to the fifth regulatory period, for the National Electricity Transmission Company "Transelectrica" — S.A.

	Unit	Total	2025	2026	2027	2028	2029
Mandatory minimum value for investments carried out from own sources during the fifth regulatory period (2024 real terms)	-	1,374,845,978	-	-	-	-	-
Mandatory minimum value for investments carried out in the Electricity Transmission Grid from own sources for each year of the fifth regulatory period (2024 real terms) ³	RON	1,291,360,576	136,491,933	155,976,818	186,282,312	414,334,794	398,274,618

³In the event that the value of network investments carried out from own sources exceeds the mandatory minimum value thereof, ANRE shall apply to the

exceeded amount an incentive of 1% above the approved Regulated Rate of Return (RRR).

Subsequent Events to the Reporting Period Regarding Tariffs for the Electricity Transmission Service

Pursuant to the provisions of the Methodology for Setting Tariffs for the Electricity Transmission Service approved by Order of the President of ANRE No. 68/2024, ANRE approved, by Order No. 74/2025, the Tariff for the Injection of Electricity into the Network (T_G)

tariff values for the electricity transmission service effective as of 1 January 2026, as well as the values of the annual maintenance plans corresponding to the fifth regulatory period, as set out in the tables below:

	Tariff as of 1 January 2026 (RON/MWh), pursuant to ANRE Order No. 74/16.12.2025	Tariff component corresponding to the regulated OTC revenue recovered from producers (C_OTC_P) (RON/MWh)	Tariff component corresponding to the additional capitalized regulated OTC revenue recovered from producers (C_OTC_S_P) (RON/MWh)
Tariff for the injection of electricity into the transmission network (T _G)	3.63	3.18	0.45

Tariff for the withdrawal of electricity from the network (T_L)

	Tariff as of 1 January 2026 (RON/MWh), pursuant to ANRE Order No. 74/16.12.2025	Tariff component corresponding to the regulated non-OTC revenue (CT _{nonOTC}) (RON/MWh)	Tariff component corresponding to the regulated OTC revenue recovered from final customers (C _{OTC_C}) (RON/MWh)	Tariff component corresponding to the additional capitalized regulated OTC revenue recovered from final customers (C _{OTC_S_C}) (RON/MWh)
Tariff for the withdrawal of electricity from the network (T _L)	36.45	25.60	9.14	1.71

The values of the annual maintenance plans of the National Electricity Transmission Company “Transelectrica” S.A. corresponding to the fifth regulatory period:

U.M	2025	2026	2027	2028	2029
RON	164,248,986	196,860,631	202,172,804	188,729,523	180,194,101
(2024 real terms)					

Other key elements within the smoothed revenues approved by ANRE for the fifth regulatory period (2025–2029) were recalculated following the implementation of the correction related to 2024 and are presented below:

- The estimated regulated value of the RAB as at 31.12.2024 (01.01.2025) – RON 3,397,905,097.
- The values of controllable operation and maintenance costs for each year of the fifth regulatory period are presented in the following table:

Controllable OPEX	Unit	2025	2026	2027	2028	2029
Costs subject to efficiency*	RON	298,675,558	295,688,802	292,731,914	289,804,595	286,906,549
Personnel costs	RON	415,993,878	436,793,572	458,633,251	481,564,913	505,643,159
Research and development costs	RON	-	1,250,000	1,250,000	1,250,000	1,250,000

**Pursuant to Article 6 of ANRE Order No. 74/2025, by 1 March 2026, the National Electricity Transmission Company “Transelectrica” — S.A. is required to submit to the National Energy Regulatory Authority, for the year 2026, the breakdown of controllable operation and maintenance costs subject to efficiency, underlying the substantiation of the tariffs approved by this Order, into the categories “Maintenance Costs” and “Other Costs”.*

The OTC targets approved by ANRE for the fifth regulatory period are presented in the table below. The ex-ante purchase price of electricity for covering OTC during the fifth regulatory period, as approved by ANRE, is RON 584.81/MWh (2024 real terms). This price may be adjusted depending on the evolution of prices on the electricity market.

	Unit	2025	2026	2027	2028	2029
OTC Target	%	2.28	2.26	2.24	2.21	2.19

II) Tariff for the Procurement of System Services Applied in 2025

By ANRE Orders No. 57/2024, No. 21/2025 and No. 60/2025, the tariffs for the procurement of system

services applied by NPG CO. Transelectrica S.A., valid in 2025, were approved, as set out below:

System Service	Unit	Tariff in Force	Difference (%)
Order No. 57/2024 (1 January – 31 May)	RON	11.51	-
Order No. 21/2025 (1 June – 31 August)	RON	7.04	-38.81%
Order No. 60/2025 (1 September – 31 December)	RON	12.79	+81.69%

The downward and upward adjustments of the tariff starting from 1 June 2025 and 1 September 2025, respectively, were carried out on the basis of compliance with the provisions of Article 22 and Article 23 of the Methodology for Setting the Tariff for the Procurement of System Services, approved by ANRE Order No. 116/2022, the aforementioned articles providing as follows:

- *Article 22: In order to avoid the subsequent recording of a significant level of corrections resulting from changes in the procurement prices and/or in the quantities of system services procured as provided under Article 2, the TSO is required to calculate, for the first quarter and, respectively, for the first half of a*

tariff period t-1, the difference between the actual and the forecast revenues and costs, to which the value of any unperformed corrections related to the previous period(s) shall be added, and to submit such calculation to ANRE on 1 May and, respectively, on 1 August of year t-1;

- *Article 23: If the TSO determines that the value calculated in accordance with the provisions of Article 22 shows a variation greater than 5% of the forecast revenues for the same period, it is required to submit to ANRE a request for the revision of the tariff for the procurement of system services, which shall include the value determined in accordance with Article 22, valid until the end of the tariff period.*

Events subsequent to the reported period regarding the tariff for the acquisition of system services

Pursuant to the provisions of the Methodology for Setting the Tariff for the Procurement of System Services, approved by ANRE Order No. 116/2022, NPG CO. Transelectrica S.A. submitted to ANRE the proposal and substantiation for the tariff for the procurement of system services effective as of 1 January 2026. In view of the above and following the analysis of the elements underlying the tariff substantiation, ANRE issued Order No. 73/2025, approving the tariff for the procurement of system services applicable as of 1 January 2026, in the amount of RON 14.70/MWh.

13. Disputes

The most significant litigation cases with an impact on the Company are presented below:

- **RAAN**

In case file no. **9089/101/2013**, on 19 September 2013, the Mehedinți Tribunal ordered the opening of general insolvency proceedings against RAAN (Autonomous Administration for Nuclear Activities).

On 9 March 2015, the Mehedinți Tribunal confirmed the reorganisation plan of the debtor Autonomous Administration for Nuclear Activities, proposed by the judicial administrator Tudor & Asociații SPRL and approved by the General Meeting of Creditors, in accordance with the minutes dated 28 February 2014.

On 14 June 2016, bankruptcy proceedings were initiated against RAAN.

National Power Grid Company Transelectrica SA filed an objection to the supplementary table of claims, which formed the subject of case file no. 9089/101/2013/a152 against the debtor RAAN, as the judicial liquidator did not include a claim amounting to RON 78,096,209, on the grounds that "this amount is not recorded as being due in RAAN's accounting records. Furthermore, the judicial liquidator considered that the request to include the amount of RON 78,096,209 in the table of claims was submitted out of time, as it relates to the 2011–2013 period, and therefore the statement of claim should have been filed at the time the insolvency proceedings were opened, namely on 18 September 2013. An objection to the supplementary table of claims was filed within the legal time limit, and the Mehedinți Tribunal approved the taking of evidence through a forensic accounting expert report. By Decision no. 163/20 June 2019, the Mehedinți Tribunal ruled as follows: the exception of forfeiture (loss of procedural right due to late filing) was upheld. The main action, as well as the joined objection, was partially admitted. The defendant was ordered to pay the claimant the amount of RON 16,950,117.14, representing a claim arising during the insolvency proceedings, and the registration of this amount in the table of creditors established against the debtor RAAN was ordered. The remaining joined claims were dismissed. Pursuant to Article 453(2) of the Civil Procedure Code, the defendant is ordered to pay the claimant RON 1,000 in legal costs. Subject to appeal. Pronounced in public hearing. Decision no. 163/20 June 2019. Transelectrica filed an appeal within the statutory time limit. At the hearing of 6 November 2019, the Craiova Court of Appeal ordered

the dismissal of Transelectrica's appeal as unfounded. Final decision. Decision no. 846/6 November 2019.

In the RAAN bankruptcy proceedings, registered under case file no. 9089/101/2013, National Power Grid Company Transelectrica SA was registered in the table of creditors with the following claims: RON 19.113.246.

The next hearing for the continuation of the proceedings regarding the recovery of claims, asset liquidation and the completion of the remaining liquidation operations is scheduled for **25 March 2026**.

In addition, there are other cases between RAAN and Transelectrica pending at various stages of adjudication. These consist of actions brought by RAAN against National Power Grid Company Transelectrica SA, arising from Contract no. C137/08.04.2011.

Case file no. **28460/3/2017** – Subject matter of the case: the obligation of the Company to pay the total amount of RON 12,346,063. Decision of the Bucharest Court of Appeal (CAB) – 27 September 2021: The examination of the appeal was suspended until the final resolution of case files no. 28458/3/2017 and no. 26024/3/2015. Decision of 23 May 2022: The request to resume the proceedings was rejected as unfounded. The suspension of the appeal proceedings was maintained. At the hearing on 20 May 2024, the appeal was admitted, and the challenged judgment was amended as follows: the statement of claim was admitted. The defendant was ordered to pay the claimant the amount of RON 12,346,063.10, representing principal debt and penalties, subject to appeal on points of law (recourse). Decision No. 806/20.05.2024. Transelectrica has filed an appeal.

At the hearing on November 13, 2025, the appeal filed by the appellant Transelectrica S.A. against Decision No. 806 of May 20, 2024, issued by the Bucharest Court of Appeal – 6th Civil Section, was admitted. At the hearing on February 19, 2026, the High Court of Cassation and Justice (ICCJ) dismissed the appeal filed by the defendant National Power Grid Company 'Transelectrica' S.A. against Decision No. 806A of May 20, 2024, issued by the Bucharest Court of Appeal – 6th Civil Section, as unfounded. Final ruling.

Case file no. **3694/3/2016** - Claims amounting to RON 15,698,721.88. At the hearing on 08.11.2021, the case was suspended until the final resolution of case files no. 26024/3/2015 and no. 28458/3/2017. Decision of 03.06.2024: The appeal was admitted, and the appealed judgment was entirely amended, as follows: the statement of claim was admitted. The

defendant was ordered to pay the claimant the amount of RON 12,727,101.99, representing the value of the bonus and the adjustment of prior overcompensation, for which SRTF series invoices were issued, as well as the amount of RON 2,917,619.81, representing late payment penalties related to the principal debt, for which SRTF series invoices were issued, subject to recourse. Decision no. 898/03.06.2024. Transelectrica filed a recourse.

At the hearing on October 16, 2025, the High Court of Cassation and Justice (ICCJ) dismissed the appeal filed by the appellant-defendant National Power Grid Company 'Transelectrica' S.A. against Civil Decision No. 898 A of June 3, 2024, issued by the Bucharest Court of Appeal – 6th Civil Section, as unfounded. Final ruling.

The amount of 15,698,722 RON was paid by the Company in June 2024."

- **MUNICIPALITY OF REȘIȚA**

Case file no. **2494/115/2018****, registered with the Caraș-Severin Tribunal.

Subject matter of the case: By the statement of claim, the plaintiff Municipality of Reșița requests that the defendant Transelectrica SA be ordered to pay the following amounts: RON 2,129,765.86, representing rent for the temporarily occupied land area from the forest fund for the year 2015; RON 2,129,765.86, representing land rent for the year 2016; RON 2,129,765.86, representing land rent for the year 2018; statutory default interest from the due date until the effective payment.

Decision of the Caraș-Severin Tribunal: The court suspends the examination of the statement of claim filed by the plaintiff Municipality of Reșița, represented by the Mayor, against the defendant Transelectrica, concerning claims, pursuant to Article 413(1) point 1 of the Civil Procedure Code. Subject to appeal during the period in which the proceedings remain suspended, before the higher-ranking court. Document: Ruling – Suspension, 22 March 2021.

The suspension of the proceedings was ordered until the final settlement of case file no. 3154/115/2018* of the Caraș-Severin Tribunal.

At the hearing on 2 March 2023, the court suspended the examination of the statement of claim filed by the plaintiff Municipality of Reșița against the defendant Transelectrica concerning claims. Subject to appeal for the entire duration of the suspension of proceedings.

At the hearing on 27 June 2024, the court ordered that the expert be provided with a copy of the hearing notes, contained on pages 172–174, submitted by the

defendant Transelectrica SA. The court also ordered that the expert be provided with a copy of the clarifications submitted by the plaintiff, the Municipality of Reșița, following the request made by the expert.

On 19 September 2024, the court approved the plaintiff's request for the postponement of the case and ordered that a copy of the expert report be communicated to the plaintiff. The discussion regarding the final fee for the expert report was postponed until after it had been reviewed by both parties. The examination of the case was adjourned, due to the absence of the expert report, to 10 October 2024.

On 10 October 2024, the court ordered both the plaintiff and the defendant to each pay RON 1,000 as the expert's fee, and also ordered the preparation of a supplementary expert report.

At the hearing on 12 December 2024, a new hearing date was granted in order to allow the representatives of the parties to review the supplementary expert report and submit any potential objections. The examination of the case was subsequently adjourned to the hearings on 13 February 2025, 20 February 2025, and later to 27 February 2025.

At the hearing on 27 February 2025, the court rejected the statute of limitations exception regarding the right of action concerning the claims representing rent for the year 2015, as well as the exception regarding the late submission of amendments to the statement of claim, exceptions invoked by the defendant Transelectrica. The court qualified the res judicata exception as a defence on the merits, referring to the positive effect of res judicata. The court dismissed the statement of claim filed by the plaintiff Municipality of Reșița against the defendant Transelectrica. Subject to appeal within 30 days from communication of the decision.

At the hearing of 29 May 2025, the court admitted the request to supplement the operative part of Civil Judgment No. 150/27 February 2025, delivered by the Caraș-Severin Tribunal in case file No. 2494/115/2018, submitted by the defendant Transelectrica. The court ordered the supplementation of the operative part of the judgment with the following provision: the plaintiff is ordered to pay the defendant the amount of RON 2,500 as legal costs, representing the expert's fee. Subject to appeal within 30 days from communication.

The Municipality of Reșița filed an appeal. The hearing has been scheduled for 21 April 2026.

- **ANAF**

ANAF issued Enforcement Title no. 13540/22.08.2017, based on which the additional payment obligations established by Tax Assessment Decision no. F-MC 439/30.06.2017 were enforced.

The Company requested the annulment of Enforcement Title no. 13540/22.08.2017 before the Court of Appeal, case file no. **7141/2/2017**. Summary of the decision: The exception of the material lack of jurisdiction of the Bucharest Court of Appeal – Administrative and Fiscal Litigation Section (SCAF) was admitted. The court declined jurisdiction in favour of the Bucharest District 1 Court, which was deemed materially competent to hear the case. No appeal available. Pronounced in public hearing on 8 February 2018. Document: Decision no. 478/2018 of 8 February 2018.

Following the declination of jurisdiction, case file no. 8993/299/2018 was registered with the Bucharest District 1 Court, through which the Company challenged the enforcement proceedings initiated on the basis of Enforcement Title no. **13540/22.08.2017**, which is based on Tax Assessment Decision no. F-MC 439/30.06.2017 issued by ANAF – the General Board of Directors for the Administration of Large Taxpayers

Summary of the decision: The court admits the request for suspension of the proceedings filed by the contesting party. Pursuant to Article 413(1) point 1 of the Civil Procedure Code, the court suspends the proceedings until the final resolution of **case file no. 1802/2/2018**, pending before the Bucharest Court of Appeal, 8th Administrative and Fiscal Litigation Division. Subject to recourse for the entire duration of the suspension, with the recourse application to be filed with the Bucharest District 1 Court. Pronounced in public hearing. Document: Ruling – Suspension, 17 April 2018.

The hearing of the case was resumed. At the hearing on October 10, 2024, the case was adjourned to November 21, 2024, to allow the communication of the documents submitted to the case file by the contestant to the respondent. Subsequently, the trial was further adjourned to March 6, 2025, April 17, 2025, June 19, 2025, October 2, 2025, November 13, 2025, December 4, 2025, and February 19, 2026. The next hearing is scheduled for April 23, 2026.

- **CONAID COMPANY SRL**

The subject matter of case file no. **36755/3/2018** concerns the finding of an unjustified refusal to conclude an addendum to the ETN connection agreement C154/2012, as well as claims amounting to RON 17,216,093.43, representing damages suffered,

and EUR 100,000, representing the estimated value of unrealised profit.

At the hearing of 03.01.2024, the Bucharest Tribunal (TMB) admitted the exception of the statute of limitations of the substantive right of action, raised through the statement of defence. The court dismissed the claim as time-barred. Subject to appeal within 30 days from communication. Decision no. 4/2024.

Conaid Company SRL filed an appeal, with the hearing scheduled for March 27, 2025. At the March 27, 2025 hearing, the court admitted the appeal, set aside the appealed civil sentence, and remanded the case to the court of first instance for a ruling on the merits. The ruling was subject to appeal (recurs) within 30 days of notification. Transelectrica filed an appeal. At the hearing on February 26, 2026, the High Court of Cassation and Justice (ICCJ) dismissed as unfounded the appeal filed by the appellant-defendant CNTEE 'Transelectrica' S.A. against Civil Decision No. 529A/2025 of March 27, 2025, issued by the Bucharest Court of Appeal – 6th Civil Section, in opposition to the respondent-plaintiff CONAID COMPANY S.R.L., through its judicial administrator C.I.I. Matache Alice Mirela. Final ruling.

For the amount of 17,216,093 RON, CNTEE Transelectrica recognized a provision in March 2019

OPCOM

Case file no. **22567/3/2019** – Subject matter of the case: claim for damages under common law.

Ordering the defendant OPCOM SA to pay the amount of RON 4,517,460, related to invoice series TEL 16 AAA no. 19533/29.07.2016, representing VAT, corresponding to the contribution made by National Power Grid Company Transelectrica SA to the share capital of OPCOM SA, issued on the basis of 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 RON 1,293,778.27, related to invoices TEL 19 T00 no. 17/28 January 2019 and TEL 19 T00 no. 131/10 July 2019, representing statutory default interest, calculated for the late payment of invoice series TEL 16 AAA no. 19533/29 July 2016.

The court suspends the examination of the case until the final settlement of case file no. 31001/3/2017, concerning an action for the annulment of an OPCOM General Meeting of Shareholders (GMS) resolution (in which Transelectrica is not a party and in which, on 01.02.2021, the appeals filed were dismissed, the decision being final).

Decision of the Bucharest Tribunal (TMB): The court admits the exception of the statute of limitations and dismisses the claim as time-barred. Subject to appeal within 30 days from communication, the appeal to be filed with the Bucharest Tribunal, 6th Civil Division. The decision was pronounced by making the ruling available to the parties through the court registry. Document: Judgment no. 3021/03.12.2021. To date, the decision delivered in this case has not yet been drafted. After the drafting and communication of Civil Judgment no. 3021/03.12.2021, the Company will be able to file an appeal against this judgment. Transelectrica has filed an appeal.

Decision of the Bucharest Court of Appeal (CAB), according to Judgment no. 1532/12.10.2022: The court dismissed the appeal as unfounded and ordered the appellant to pay the respondent the amount of RON 11,325.21 as legal costs. Subject to appeal within 30 days of notification. Transelectrica lodged an appeal against Civil Decision no. 1532/12.10.2022 delivered by the Bucharest Court of Appeal (CAB). On 19.09.2023, the High Court of Cassation and Justice (HCCJ) admitted the appeal, quashed Decision no. 1532/12.10.2022, and referred the case back to the same court for retrial. Final decision. Judgment no. 1640/19.09.2023.

New case no. **22567/3/2019*** – the case was referred back for retrial. At the hearing of 18 February 2025, the appeal was dismissed as unfounded. The appellant-claimant was ordered to pay the respondent-defendant the amount of RON 28,777.79 as legal costs.

At the hearing on February 24, 2026, the High Court of Cassation and Justice (ICCJ) dismissed as unfounded the main appeal filed by the appellant-plaintiff National Power Grid Company 'TRANSELECTRICA' S.A. against Civil Decision No. 235 of February 18, 2025, issued by the Bucharest Court of Appeal – 5th Civil Section. The Court also dismissed as unfounded the incidental appeal filed by the appellant-defendant Electricity and Natural Gas Market Operator - OPCOM S.A. against Civil Decision No. 235 of February 18, 2025, issued by the Bucharest Court of Appeal – 5th Civil Section. The parties' requests for the award of court costs in the appeal were dismissed. Final ruling.

Case No. 24242/3/2021 – Bucharest Tribunal, 6th Civil Section – Subject matter: The plaintiff, OPCOM, seeks a declaration of nullity of an instrument – contribution in kind.

On November 7, 2023, the Bucharest Tribunal's summary ruling: the plea of inadmissibility was qualified as a defense on the merits. The complaint was dismissed as unfounded. Subject to appeal within

30 days of notification for the parties, Decision No. 2600/07.11.2023.

OPCOM filed an appeal. At the hearing on March 13, 2025, the Bucharest Court of Appeal (CAB) dismissed the appeal as unfounded. It ordered the plaintiff (OPCOM) to pay the State the amount of 179,550.57 RON, representing the judicial stamp duty. OPCOM filed a final appeal (recurs). At the hearing on February 17, 2026, the High Court of Cassation and Justice (ICCJ) dismissed as unfounded the appeal filed by the plaintiff Electricity and Natural Gas Market Operator - OPCOM S.A. against Civil Decision No. 423 of March 13, 2025, issued by the Bucharest Court of Appeal – 5th Civil Section. Final ruling.

Case No. 44380/3/2024 – Subject matter: claims and conclusion of an addendum for the amount of 2,914,065.21 RON, representing the value of services for calculating the rights to be collected and payment obligations for transactions carried out by BRP (Balance Responsible Party) and PPE (Production Power Entity) + legal interest. Hearing date: May 5, 2026

• COURT OF AUDITORS

During the period September 2023 – January 2025, the Romanian Court of Auditors, through Department IV, carried out a compliance audit mission at National Power Grid Company Transelectrica SA. The subject of the compliance audit was "the status, evolution and management of the public and private assets of the state, as well as the legality of revenue collection and expenditure execution for the period 2020–2022" at National Power Grid Company Transelectrica SA.

As a result of the completion of the audit engagement, Department IV of the Romanian Court of Auditors issued the Compliance Audit Report of National Power Grid Company Transelectrica SA no. 6000/23 January 2025 and the Management Letter no. 60001/23 January 2025, approved by Plenum Decision no. 47/23.01.2025, by which a total of 17 recommendations were established, with an implementation deadline of 30 April 2025.

On 11 March 2025, the Company filed a prior complaint against the above-mentioned Compliance Audit Report.

On 11 June 2025, Transelectrica received the response issued by the Romanian Court of Auditors (CCR) to the prior complaint, by which the Court rejected the prior complaint as inadmissible with respect to the audit report, and as unfounded with respect to the Plenum Decision.

Following the response received from the Romanian Court of Auditors (CCR), on 7 August 2025 the

Company filed with the Bucharest Court of Appeal a statement of claim (case file no. **5244/2/2025**) by which it requested the following:

- a) the annulment of Plenum Decision no. 47/23.01.2025 approving the Compliance Audit Report of National Power Grid Company Transelectrica SA no. 6000/23.01.2025 and the Management Letter no. 60001/23.01.2025;
- b) the partial annulment of the Compliance Audit Report of National Power Grid Company Transelectrica SA no. 6000/23.01.2025 and of the Management Letter no. 60001/23.01.2025 with regard to the recommendations provided under points 5.1, 5.6, 5.12 (partially), 5.13 (partially), 5.14 (partially), 5.15 and 5.16;
- c) the suspension of the effects of Plenum Decision no. 47/23.01.2025 until the final settlement of the present case;
- d) legal costs.

On 8 September 2025, Transelectrica requested the court to set a hearing date for the adjudication of the request for suspension of the effects of Plenum Decision No. 47/23.01.2025 until the case is resolved on the merits. The court scheduled the hearing for 14 October 2025 for the adjudication of the request for suspension. Decision of the Bucharest Court of Appeal (CAB): The request for suspension is rejected as unfounded

Subject to appeal within 5 days of notification, the appeal shall be lodged with the Bucharest Court of Appeal – 8th Administrative and Fiscal Litigation Section (CAF). Pronounced today, 14 October 2025, by making the decision available to the parties through the court registry. Document: Decision no. 1342/2025, dated 14.10.2025.

At the hearing held on 3 February 2026, a new hearing date of 6 February 2026 was set for the purpose of ruling on the statement of recusal (declaration of abstention) submitted by Judge Silvia Pavelescu. At the hearing held on 6 February 2026, the court rejected as unfounded the request for recusal from adjudicating case no. 5244/2/2025, submitted by Judge Silvia Pavelescu. Hearing date: March 31, 2026

• OTHERS

The company is involved in significant litigation, particularly for debt recovery (de ex.: Total Electric Oltenia SA - RON 14.085.415,27, Regia Autonomă de Activități Nucleare, Energy Holding SRL, UGM Energy Trading SRL - RON 3.515.687,51, CET Bacău, CET Govora - RON 28.200.440,31, Nuclearelectrica - RON 1.290.533.156 incl interest, CET Brașov - RON 4.303.741,44, Elsaco Energy SRL - RON 9.198.673,80, Arelco Power SRL - RON 20.996.030,49, Menarom PEC SA Galați – RON 1.195.792,13, Romelectro SA, Transenergo Com SA – RON 6.850.000,98, ENNET GRUP SRL, PET Communication – RON 3.093,205,83, ISPE, Grand Voltage SRL – RON 8.331.444,60, EXPLOCOM GK SRL - RON 2.287.992, Next Energy Partners – RON 8.395.132,23 + legal interest, SC ENOL GRUP SA – RON 3.277.527,03, Aderro GP Energy and others).

The Company has recorded impairment allowances for customers and other receivables under litigation and for customers in bankruptcy.

Furthermore, the Company is also involved in litigation with former members of the Executive Board and the Supervisory Board regarding the mandate contracts concluded between the Company and them. The Company has recognized a provision for these legal disputes.



Corporate Governance and Social Responsability Report



14. Corporate Governance

Corporate Governance Regulation

Following the listing of its shares on the regulated market of the Bucharest Stock Exchange ("BSE"), the Company adopted the principles set out in the BSE Corporate Governance Code. In compliance with the BSE requirements, Transelectrica made available to investors the revised Corporate Governance Regulation of the Company.

The objective is to improve and strengthen the elements and principles of corporate governance in order to protect shareholders and their rights and to ensure compliance with transparency requirements.

The Corporate Governance Regulation constitutes an extremely important instrument for the Company and is intended, in particular, to consolidate in a single document, in a concise form, the main rules and regulations already in force and applied by the Company. The central elements of this Corporate Governance Regulation are investors' access to information and the protection of shareholders' rights.

The Company has adopted a transparent culture and an efficient corporate governance model; the relevant internal supporting documents, as well as the Company's conduct, are aligned with the new requirements imposed by the BSE Corporate Governance Code. Reporting obligations in accordance with the new BSE Corporate Governance Code are included in the periodic reporting.

The document is drafted in accordance with the principles set out in the BSE Corporate Governance Code and is available on the website www.transelectrica.ro, under the section Investor Relations / Corporate Governance / Company's Corporate Governance Code

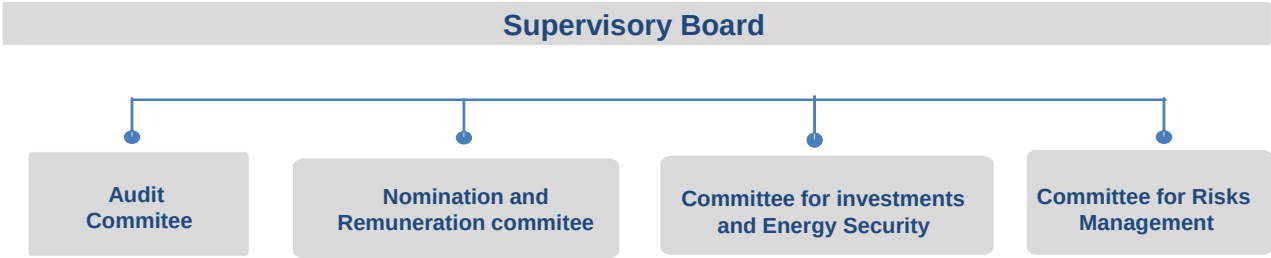
Other Applicable Documents

The Company complies with the provisions of the primary and secondary legislation applicable to the capital market, as well as with the regulations of the BSE and other relevant bodies, while observing and applying all provisions of the legislation governing companies and public enterprises, including certain

internal regulations and Company documents relevant in this field, among which:

- Law No. 24/2017 on issuers of financial instruments and market operations, republished, as subsequently amended and supplemented;
- ASF Regulation No. 5/2018 on issuers of financial instruments and market operations, as subsequently amended and supplemented;
- The Bucharest Stock Exchange Code – the BSE Corporate Governance Code;
- The Corporate Governance Code and the set of Anti-Corruption Principles developed by AmCham Romania, which represent international reference standards for the establishment of a sound business environment;
- Companies Law No. 31/1990, republished, as subsequently amended and supplemented ("Law No. 31/1990");
- Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented ("GEO No. 109/2011");
- The Listing Commitment, whereby Transelectrica, at the time of the Initial Public Offering (in 2006), undertook to observe the rights of holders of securities and to ensure equal treatment for all holders of securities of the same type and class;
- The Company's Articles of Incorporation, as updated ("Articles of Incorporation");
- The updated Rules of Organization and Functioning of the Supervisory Board;
- The updated Internal Rules of the Board of Directors;
- The Code of Professional Ethics, binding on all organizational structures, which sets out the ethical standards of conduct establishing and regulating the corporate values, responsibilities, obligations and business conduct principles on which the organization has been developed.

Figure 34: Structure of the Supervisory Board as of December 31, 2025



Supervisory Board

(hereinafter also referred to as the “SB”)

As at 31 December 2025, the composition of the Supervisory Board was as follows:

- Cătălin-Andrei Dascăl – Chairman
- Teodor Atanasiu – Member
- Costin-Mihai Păun – Member
- Alexandru-Cristian Vasilescu – Member
- Rareș-Stelian Rusu - Member
- Luminița Zezeanu - Member
- Dumitru-Virgil Orlandea - Member

Pursuant to the Articles of Incorporation, the Supervisory Board consists of seven members, appointed for a term of up to four years and subject to revocation at any time by the Company’s General Meeting of Shareholders (“GMS”).

All members are non-executive, the management of the Company being entrusted, in accordance with the law and the Articles of Incorporation, to the Board of Directors. The members of the Supervisory Board may meet at any time, but in any event at least once every three months.

The Company bears the costs of the professional liability insurance of the Supervisory Board members. The insured amount and the insurance premium were established by resolution of the GMS.

In 2025, the Supervisory Board met whenever the Company’s interests required deliberations on matters falling within its competence

Election of the Supervisory Board Members by Cumulative Voting

At the request of shareholders representing, individually or jointly, at least 10% of the subscribed and paid-up share capital, the Board of Directors shall mandatorily convene the General Meeting of Shareholders with an item on the agenda concerning the election of the Supervisory Board members through the application of the cumulative voting method.

Any shareholder holding less than 10% of the subscribed and paid-up share capital may submit, in

writing, proposals to the Board of Directors for the application of the cumulative voting method, within 15 days from the date of publication in the Official Gazette of Romania, Part IV, of the notice convening the General Meeting of Shareholders having on its agenda the election of the Supervisory Board members. In such case, the application of the cumulative voting method for the election of the Supervisory Board members shall be subject to approval by vote within the General Meeting of Shareholders

Under the cumulative voting method, each shareholder is entitled to allocate his/her cumulative votes—obtained by multiplying the number of votes held by such shareholder, according to his/her participation in the share capital, by the number of members to be appointed to the Supervisory Board—to one or more persons proposed for election to the Supervisory Board.

In exercising cumulative voting, shareholders may allocate all cumulative votes to a single candidate or to several candidates. For each candidate, shareholders shall indicate the number of votes granted.

Where the cumulative voting method is applied, the members of the Supervisory Board in office as at the date of the General Meeting shall be automatically included on the list of candidates for the election of Supervisory Board members, alongside the candidates proposed by the shareholders.

All candidates entered on the list of nominations shall be subject to the shareholders’ vote within the General Meeting of Shareholders.

The members of the Supervisory Board in office as at the date of the General Meeting who are not reconfirmed as Supervisory Board members through cumulative voting shall be deemed revoked from office by resolution of the General Meeting.

The term of office of the Supervisory Board members in office as at the date of the General Meeting of Shareholders at which cumulative voting

was applied shall continue in the event that they are reconfirmed through the cumulative voting method.

Where two or more persons proposed for election as members of the Supervisory Board obtain the same number of cumulative votes, the person who has been voted by a higher number of shareholders shall be declared elected as member.

The criteria for the election of Supervisory Board members, in the event that two or more proposed persons obtain the same number of cumulative votes cast by the same number of shareholders, shall be established by the General Meeting of Shareholders and recorded in the minutes thereof.

During 2025, the members of the Supervisory Board were not elected through the cumulative voting method.

Remuneration of the Supervisory Board

In the course of 2025, the members of the Supervisory Board received a fixed gross monthly remuneration amounting to RON 28,223 gross/month, in accordance with GMS Resolution No. 1 of 28 February 2024.

Attributions of the Supervisory Board

The Supervisory Board has, primarily, the following duties and powers:

- exercises oversight over the manner in which the Board of Directors conducts the Company's business;
- reviews the revenue and expenditure budget and the investment program for the financial year, submitted for approval to the General Meeting of Shareholders.
- performs any duties provided for by the special legislation applicable in the field of governance of public enterprises;
- determines the structure and number of the members of the Board of Directors;
- appoints and revokes the members of the Board of Directors and establishes their remuneration;
- verifies that the activities carried out in the name and on behalf of the Company are in compliance with the law, the Articles of Incorporation and the resolutions of the General Meeting of Shareholders.
- submits to the General Meeting of Shareholders, at least once per year, a report on the supervisory activity performed;
- represents the Company in its relations with the Board of Directors;
- approves the internal rules of the Board of Directors;
- reviews the Company's financial statements;
- reviews the report of the members of the Board of Directors;
- proposes to the General Meeting the appointment and revocation of the financial auditor, as well as the minimum term of the audit engagement.
- approves the Company's transactions with related parties in the cases and under the conditions provided by law.

Furthermore, in exceptional cases, where the Company's interest so requires, the Supervisory Board may convene the General Meeting of Shareholders, and certain types of transactions may only be carried out with the approval of the Supervisory Board. These are as follows:

- the procurement of goods, services and works, irrespective of duration, with a value exceeding EUR 5,000,000.
- transactions relating to the provision of the transmission service, system services and wholesale electricity market administration services; transactions for the collection of the high-efficiency cogeneration contribution; transactions for the payment of the bonus and the recovery of overcompensation/undue bonus; transactions for connection to the Transmission Network (ETG); for the implementation of coexistence conditions; for site clearance and the execution of the related works; technical consultancy and project management related to such works; transactions for the sale and purchase of land required for the development of new installations in accordance with the connection agreements to the ETG, as well as land required for access routes to such installations; transactions for the establishment in favor of the Company of rights of use and easement, superficies rights, rights of use, or any other encumbrances over the land affected by the new installations pursuant to the connection agreements to the ETG; as well as any other transactions to be carried out for the proper conduct of the Company's core business in accordance with the applicable regulations, with a value exceeding EUR 10,000,000.
- the initiation, settlement, pursuit or withdrawal of claims, litigation or arbitration proceedings, with a value exceeding EUR 500,000;
- commitments entailing significant obligations on the part of the Company, other than the transactions referred to in the first two items, with a value exceeding EUR 5,000,000.

- any act performed free of charge, including any sponsorships and donations granted by the Company, with an individual value exceeding RON 100,000;
- the establishment or dissolution of secondary offices of the Company, in Romania or abroad (branches, representative offices, agencies or other similar units without legal personality);
- amendments to the Company's organizational structure (organizational chart) and to the Rules of Organization and Functioning.

Furthermore, the members of the Supervisory Board owe duties of care and loyalty to the Company and shall be deemed to have complied with such obligations if, at the time of making a business decision, they are reasonably entitled to consider that they are acting in the interest of the Company.

In exercising its core powers of oversight over the manner in which the Board of Directors conducts the Company's business, as well as its duty to review the activities carried out in the name and on behalf of the Company, the Supervisory Board has the right and the obligation to establish, in relation to the Board of Directors and the Company, the control, verification and reporting mechanisms it deems necessary for the proper discharge of these duties.

Correspondingly, the Board of Directors has the duty to ensure, at the level of the Company, the reporting procedures and organizational conditions necessary for the discharge of the oversight and verification duties incumbent upon the Supervisory Board.

Advisory Committees

As at 31 December 2025, four advisory committees were established at the level of the Supervisory Board:

- *Audit Committee;*
- *Nomination and Remuneration Committee;*
- *Investment and Energy Security Committee;*
- *Risk Management Committee.*

Decisions within the advisory committees are adopted by majority vote. In the event of a tie, the Chairperson of the committee shall have the casting vote.

According to the approved Rules of Organization and Functioning, at least one member of each established committee must be an independent director, within the meaning arising from the Companies Law, as well as the capital market legislation and regulations. With regard to the Audit

Committee, the majority of its members must be independent directors.

Any member of an advisory committee may convene a meeting of the committee of which he or she is a member. The notice convening the meetings of the advisory committees shall be sent to each committee member in writing, by fax or by electronic mail to the respective committee member's e-mail address and fax number.

Powers of the Committees within the Supervisory Board

The main powers of the committees established within the Supervisory Board, depending on their area of activity, are as follows:

Nomination and Remuneration Committee

- formulates proposals for the position of member of the Supervisory Board and member of the Board of Directors;
- develops and submits proposals to the Supervisory Board regarding the selection procedure for members of the Supervisory Board, members of the Company's Board of Directors and for other managerial positions;
- formulates proposals concerning the remuneration of the members of the Company's Board of Directors and of other managerial positions, in compliance with the general limits of remuneration approved by the General Meeting of Shareholders.
- organizes training sessions for the members of the Supervisory Board;
- formulates proposals regarding the remuneration for the position of member of the Supervisory Board and member of the Board of Directors, in compliance with the remuneration policy communicated by AMEPIP;
- assists the Supervisory Board in the evaluation of its own performance, as well as of the performance of the executive management.

Audit Committee

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

Powers of the Audit Committee related to financial reporting and statutory audit:

- monitors the financial reporting process at the level of the Company;
- monitors the statutory audit of the annual financial statements and of the consolidated annual financial statements;

- regularly reviews the effectiveness of financial reporting.
- verifies and monitors the independence of the statutory auditor or the audit firm and, in particular, the provision of additional services to the audited entity;
- formulates recommendations to the Supervisory Board regarding the appointment of the Company's external auditor (statutory auditor or audit firm), including the selection, appointment, reappointment and replacement of the external auditor, as well as the terms and conditions of its remuneration.
- monitors the independence and objectivity of the external auditor, in particular by overseeing the rotation of the partners within the audit firm;
- receives and reviews the external auditor's report on key matters arising from the statutory audit and, in particular, on significant deficiencies in internal control over financial reporting,
- assists the Supervisory Board in monitoring the credibility and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by the Company (including the consolidation criteria).

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

- monitors the effectiveness of the Company's internal control systems, internal audit, where applicable, and risk management systems;
- regularly reviews the effectiveness of the internal control and risk management system adopted by the Company;
- ensures that the audit reviews performed and the audit reports issued as a result thereof are in accordance with the audit plan approved at the Company level.
- proposes to the Supervisory Board the control, verification and reporting mechanisms necessary for the exercise of its core oversight duties over the manner in which the Board of Directors conducts the Company's business, as well as for the review of the activities carried out in the name and on behalf of the Company;
- verifies the fulfilment of the Company's non-financial reporting obligations;
- performs the duties provided for under Article 65 of Law No. 162/2017 on the statutory audit of annual financial statements and consolidated

annual financial statements, and for the amendment of certain normative acts.

Investment and Energy Security Committee

- consults on and monitors the implementation of the Company's medium-, short- and long-term Strategy and Investment Plan;
- provides advice and consultation to the members of the Supervisory Board, the members of the Board of Directors and the Company's executive management, within and in alignment with the Company's Strategy and the Rules of Organization and Functioning (ROF), without prejudice to the responsibility of the members of the Supervisory Board, the members of the Board of Directors and other persons who, under the Applicable Law, bear responsibility for the management and supervision of the Company;
- consults on and monitors the implementation of actions aimed at maintaining and enhancing energy security in relation to the Company's activities.

Risk Management Committee

A newly established committee, following the extensive amendment in 2023 of Government Emergency Ordinance No. 109/2011, which ensures the alignment of control activities with the risks generated by the activities and processes subject to control, identifies, analyses, assesses, monitors and reports the identified risks, the mitigation or anticipation action plan, as well as other measures taken by the executive management.

Furthermore, the Committee is responsible for assessing the Company's solvency, as a public enterprise, by reference to its customary duties and obligations, and shall inform or, as the case may be, submit proposals to the Supervisory Board.

Activity of the Supervisory Board Committees in 2025

In 2025, 6 (six) meetings of the Nomination and Remuneration Committee were held, during which the members of this committee prepared the Nomination and Remuneration Committee Report for 2024 and the remuneration policy for the members of the executive and non-executive management of the National Power Transmission Company "Transelectrica" S.A., evaluated, based on the activity reports, the members of the Board of Directors in accordance with the provisions of Article 36 para. (5) of GEO No. 109/2011, analysed proposals regarding the modification of the

allocation of coordination areas, and examined matters relating to the functioning and organization of the activity of the members of the Board of Directors.

In 2025, 7 (seven) meetings of the Audit Committee were held, during which the interim financial statements for the financial year 2024 were reviewed, as well as the Revenue and Expenditure Budget for 2025 and the estimates for the years 2026–2027. The Audit Committee Report of the Supervisory Board of NPG CO. Transelectrica S.A. for 2024 was prepared, regarding the Company's internal control systems and significant risk management systems, and the Company's separate and consolidated financial statements for 2024 were reviewed, together with the Financial Auditor's Report. The members of the Committee proposed to the Supervisory Board the appointment of the financial auditor of NPG CO. Transelectrica S.A., for submission to the General Meeting of Shareholders for approval. The Report on the internal public audit activity for 2024, as well as the internal public audit reports prepared in accordance with the Audit Plan at the Company level, were reviewed and endorsed.

In 2025, one meeting of the Risk Management Committee was held, during which the members of this committee analysed the organizational framework of risk management, the risk analysis related to activities in 2024, the main risks identified at Company level, the prioritization of significant risks at Company level, the Risk Register for 2025 concerning significant, high-level risks at Company level, the 2025 implementation plan for control measures related to significant, high-level risks at Company level, as well as the reassessment and review of certain high-level risks at Company level.

In 2025, three meetings of the *Investment and Energy Security Committee* were held, during which the members of this committee analysed: the updated terms of reference of the Investment and Energy Security Committee; the meeting of ENTSO-E TSOs in South-East Europe on the Green Corridor Project – ESO – MAVIR – TRANSELECTRICA, 28/05/2025, Sofia; the status of the HVDC Project and cooperation with Consortium Partners; the Business Continuity Plan; System Procedure – Ensuring the Business Continuity Management of Organisational Entities within NPG CO. TRANSELECTRICA S.A. ; status of the ETG Development Plan 2020-2029 – solutions for the implementation of investment projects with a low degree of completion; preparation for the ENTSO-E GMS on 25 June 2025, brief briefing of TEL

representatives in the ENTSO-E Committees on the most relevant information/topics discussed at the last Committee meeting; status of European Projects in which TRANSELECTRICA is a Partner and/or Beneficiary and of applications for European Fund financing; the status of Investment Projects financed from the PNRR; the meeting of ENTSO-E TSOs in South-East Europe on the Green Corridor Project – ESO – MAVIR – TRANSELECTRICA, 28/05/2025, Sofia.

Board of Directors

Composition of the Board of Directors as at 31.12.2025:

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

Organisation of the Board of Directors

The members of the Board of Directors are appointed and dismissed by the Supervisory Board. One of the members of the Board of Directors is appointed by the Supervisory Board as Chairman of the Board of Directors (also referred to as Chief Executive Officer or CEO of the Company). The Chairman convenes and chairs the meetings of the Board of Directors and is also responsible for the proper organisation of the Board of Directors' activities as a collective management body, with a view to fulfilling the duties and responsibilities incumbent upon it under applicable law and the Articles of Association.

The number of members shall be determined by the SB, provided that such number shall not be less than three and greater than seven, and shall always be an odd number. One member of the BoD shall be appointed Chairman of the BoD (also referred to as Chief Executive Officer or CEO of the Company).

Remuneration of the Board of Directors

During the period 1 January 2025 – 31 December 2025, the members of the BoD had a fixed gross monthly allowance of RON 55,050 gross/month.

Powers and duties of the Board of Directors

The Board of Directors performs all acts necessary and useful for the achievement of the Company's object of activity, except for those reserved by law to the Supervisory Board and the General Meeting of Shareholders, the management of the Company being its exclusive responsibility under the Applicable Law.

The Board of Directors exercises its powers under the control of the Supervisory Board and has the duty to:

- provide the Supervisory Board, at least once every three (3) months, with written reports on the management of the Company, the Company's activity and the possible development of the Company;
- ensure, at Company level, the reporting procedures and organisational conditions necessary for the Supervisory Board to perform its control and verification duties.

The Board of Directors manages the Company, approves all operations at Company level, other than those falling within the competence of the General Meeting of Shareholders, and represents the Company in relation to third parties and in court.

The main duties of the Board of Directors, performed under the supervision of the Supervisory Board (SB), are:

- establishment of the Company's strategy, development policies, accounting policies and financial control system, and approval of financial planning;
- approval, with the agreement of the SB, of the Company's organisational structure (organisation chart) and of the rules of organisation and operation;
- annual submission to the General Meeting of Shareholders of the report on the Company's activity, the financial statements for the previous year, the draft budget and the Company's investment programme for the current year;
- conclusion of legal acts with third parties on behalf of and for the account of the Company, in compliance with the provisions of the Articles of Association regarding joint signature and with the matters reserved to the competence of the General Meeting of Shareholders or the Supervisory Board;
- hiring and dismissal of staff, and establishment of the tasks and responsibilities of the Company's personnel, in accordance with the Company's personnel policy;
- negotiation of the collective labour agreement at Company level, as well as of any addenda thereto, together with employee representatives;
- performance of all acts and adoption of all necessary and useful measures for the management and fulfilment of the Company's object of activity, except for those reserved by law or by the Articles of Association to the

General Meeting of Shareholders and the Supervisory Board.

In this regard, approval of Company-level operations other than those falling within the competence of the General Meeting of Shareholders, with the obligation to obtain the SB's approval for the types of operations for which the law or the Articles of Association provide for such approval;

- approval of the mandates of the Company's representatives in the general meetings of shareholders of the Company's subsidiaries, and quarterly notification of the Supervisory Board regarding the mandates granted to them;
- approval, with the consent of the Supervisory Board, of the establishment or dissolution of secondary offices (branches, representative offices, agencies or other similar units without legal personality);
- approval of the Company's conclusion of legal acts of a contractual nature governed by the Civil Code where the result is not an entity with separate legal personality, as well as approval of the Company's participation as a member in domestic or international organisations;
- exercise of any powers provided by law or delegated by the general meeting of shareholders under the law;
- performance of any duties provided for by the special legislation applicable in the field of public enterprise administration;
- implementation of the decisions of the general meeting of shareholder.

The Board of Directors shall inform the General Meeting of Shareholders at least twice a year about the following types of operations:

- the acquisition of products, services and works, regardless of duration, with a value exceeding EUR 5,000,000,
- the initiation, settlement, exercise or abandonment of claims, litigation or arbitration with a value exceeding EUR 500,000,
- commitments involving significant obligations on the part of the Company, with a value exceeding EUR 5,000,000,
- loans, regardless of duration, below EUR 50,000,000,
- guarantees for loans under EUR 50,000,000.

The Board of Directors is required to obtain the approval of the Supervisory Board for certain types of transactions, for which the Board of Directors may only approve the transaction after obtaining the approval of the Supervisory Board.

In the event of a refusal, the Board of Directors also has the option of requesting the approval of the Ordinary General Meeting of Shareholders, which will decide in accordance with the law.

General Meeting of Shareholders

The GMS is Transelectrica's governing body, which decides on the Company's economic activity and policy. It may be ordinary or extraordinary, its specific powers being set out in the Articles of Association.

With the listing of its financial instruments on the regulated market administered by the BSE, the Company has undertaken to respect the rights of the holders of issued financial instruments and to ensure their fair treatment.

Thus, all holders of financial instruments in the same class of securities are treated fairly, with all financial instruments of the same type and class conferring equal rights on their holders.

Each share confers rights on the holder, as provided for in the Articles of Association:

- the right to vote at the General Meeting of Shareholders (one share = one vote),
- the right to elect and be elected to the management bodies,
- the right to participate in the distribution of profits (the right to dividends).

Ownership of the share certifies adherence to the Articles of Association.

All shareholders have the right to participate in the GMS, to exercise their voting rights and to express their views during the debates.

The Ordinary General Meeting of Shareholders has the following obligations and responsibilities:

- discussion, approval or amendment of the annual financial statements based on the reports submitted by the Board of Directors, the Supervisory Board and the financial auditor;
- approval of the distribution of profits and determination of the dividend;
- election and revocation of the members of the Supervisory Board;
- appointment and dismissal of the financial auditor and determination of the minimum duration of the financial audit agreement;
- determination of the general limits of the remuneration of the members of the Board of Directors;

- determination of the remuneration due to the members of the Supervisory Board for the current financial year;
- decision on the management of the members of the Board of Directors and of the Supervisory Board, evaluation of their activity and granting of discharge from management, in accordance with the law;
- decision on bringing legal action against members of the Board of Directors and/or members of the Supervisory Board, as appropriate, for damages caused to the Company;
- establishment of the income and expenditure budget and of the investment programme for the financial year subject to approval;
- decision on any matter falling within its competence in accordance with the applicable legislation;
- review of the Supervisory Board's reports regarding the activities carried out;
- decision on the pledging or leasing of one or more units of the Company.

The Extraordinary General Meeting of Shareholders shall meet whenever necessary to decide on the following matters:

- change in the legal form of the Company,
- relocation of the Company's registered office,
- change in the Company's object of activity,
- increase of the Company's share capital,
- reduction of the Company's share capital or restoring it by issuing new shares,
- mergers with other companies,
- division of the Company,
- early dissolution of the Company,
- conversion of shares from one category to another,
- conversion of registered shares into bearer shares or bearer shares into registered shares,
- conversion of bonds from one category to another or into shares,
- the issue of bonds,
- conclusion of acts of acquisition, disposal, exchange or constitution as collateral of certain assets from the category of fixed assets of the Company, whose value exceeds, individually or cumulatively, during a financial year, 20% of the total book value of the fixed assets of the Company minus receivables,
- any amendments to the Articles of Association or any other decision for which the approval of the GMS is required.

In addition to the powers and duties mentioned above or by law, the Extraordinary General Meeting of Shareholders shall decide on the following matters:

- the Company's granting of any type of loans or loan-type obligations as a creditor,
- the establishment of or participation in the establishment of entities with separate legal personality, with patrimonial or non-patrimonial purposes, as well as participation in the share capital of other companies,
- the contracting of loans with a duration greater than or equal to 5 years, whose value is greater than or equal to EUR 50,000,000,
- the establishment of guarantees with a value greater than or equal to EUR 50,000,000,
- setting the minimum insured amount and the maximum insurance premium for the professional liability insurance of the members of the Supervisory Board and the members of the Board of Directors.

The Company shall make every effort to facilitate the participation of shareholders in the GMS meetings, encourage dialogue between shareholders and members of the Supervisory Board and/or members of the Board of Directors, as well as the full exercise of their rights. The General Meeting of Shareholders is the actual mechanism for exercising all shareholder rights. The notice of meeting is made public within 24 hours of the GMS being convened on the BSE website, on the Company's website www.transelectrica.ro, and on the ASF website, and in the Official Gazette within a maximum of 4 days and in the press within a maximum of 5 days of the meeting being convened. Similarly, the materials to be discussed are published in accordance with the agenda and legal deadlines. Each convocation of the GMS includes the location, date and time at which it will take place, at the first convocation, the address of the place where the meeting will be held, as well as the date, time and place of the second convocation.

The GMS convocation explicitly mentions the topics that will be discussed, as well as their justification. The rules for organising and conducting each GMS and the procedures for participating in meetings are explicitly presented directly in the convocation, so that they are known to all shareholders wishing to participate in the meeting.

The company encourages shareholders to participate in the GMS and takes all measures to facilitate this. The materials subject to debate are published on the website www.transelectrica.ro in

the Investor Relations / GMS section, and shareholders are encouraged to ask questions regarding the items on the agenda.

Shareholders entitled to participate in the GMS are admitted upon simple proof of their identity, which, in the case of individual shareholders, is provided by their identity card or, in the case of legal entities and represented individual shareholders, by the power of attorney given to the individual representing them.

For shareholders who are unable to attend, the Company offers the possibility of exercising their vote:

- a) by proxy, based on a special power of attorney;
- b) by correspondence;
- c) remotely.

During the GMS, shareholders will also be able to vote electronically, in accordance with Law No. 455/2001 on electronic signatures, as amended and supplemented, as well as in accordance with ASF regulations. The relevant forms (postal voting form and special power of attorney template), in both Romanian and English, are also posted on the website www.transelectrica.ro in the Investor Relations/GMS section.

The resolutions adopted at the GMS are disseminated on the day of the meeting, by means similar to those previously presented for the convocation. The voting results are published on the Company's website within a maximum of 15 days from the date of the GMS meeting.

In order to provide shareholders with relevant information in real time, the Company has created a special section on its website, www.transelectrica.ro, called Investor Relations, which is easily accessible and constantly updated. The page is structured to contain all the information necessary for securities holders, including information regarding the GMS. The GMS is convened by the Board of Directors whenever necessary, in accordance with the law. In exceptional cases, when the Company's interests so require, the Supervisory Board may also convene the GMS.

GMS meetings are held in Romanian.

Internal control

The company has organised its internal public audit activity through its own structure since 2004, consisting of 8 positions (one Chief Inspector and 7 internal auditors). The "Internal Public Audit" (API) structure is administratively subordinate to the

Company's Board of Directors and methodologically subordinate to the Supervisory Board.

At Company level, specific internal rules have been drawn up and approved by the Higher Hierarchical Body (OIS) – no. 1911/11.06.2014. Of the Company's five subsidiaries, only three have their own internal public audit activity (Opcom SA, Smart SA, Teletrans SA). The subsidiary Formenerg SA is in the process of merging with the subsidiary Teletrans SA.

In 2025, at OPCOM SA level, the internal public audit activity was carried out in accordance with the provisions of the specific rules for internal public audit activity approved by Transelectrica SA with approval no. 33210 of 18.08.2025 and subsequently approved by the Board of Directors of OPCOM SA, these being registered at company level.

With regard to the SMART SA subsidiary, in the exercise of internal audit activities, the specific rules approved by the internal public audit structure within the Company and approved by the general manager were applied, as well as the Methodological Rules on the exercise of audit activities, approved by the internal public audit structure within Transelectrica SA and approved by the Chairman of the Board of Directors.

At the level of the Company's Internal Public Audit structure, an activity was identified, namely "internal public audit", for which an internal procedure was issued and updated in 2021.

The role

- Provision of advice and assurance on the effectiveness of risk management, control, and governance systems, contributing to the achievement of added value and providing recommendations for their improvement;
- assistance to the Company's management in achieving its objectives and providing objective and detailed assessments of the legality, regularity, efficiency, economy, and effectiveness of the activities and operations carried out.

Regulations and principles governing the activity

- Law No. 672/2002 on internal public audit, as subsequently amended;
- General rules on the exercise of internal public audit activities (Government Decision No. 1086/2013);

- the code of ethical conduct for internal auditors, which aims to create the ethical framework necessary for the practice of the internal audit profession;
- the internal audit charter establishes the position of the internal audit structure within the public entity, defines the scope of internal public audit activity, and the rights and obligations of internal auditors;
- organisational independence within the Company, so as not to be subject to interference of any kind, from the setting of audit objectives, the effective performance of the specific tasks of the mission, to the communication of its results;
- individual objectivity, competence, professional conscience and continuous professional training of auditors;
- integrity, the obligation to maintain confidentiality and the political neutrality of internal auditors.

Planning of internal public audit activity

Annual planning is established on the basis of the "Multiannual Internal Public Audit Plan", in accordance with the provisions of Law No. 672/2002 on internal public audit, republished, with Government Decision No. 1086/2013 approving the General Rules on the exercise of internal public audit activity and with the International Internal Audit Standards.

The annual internal public audit plan for 2025, approved by the Supervisory Board, was based on:

- ✓ Risk analysis;
- ✓ Requests from members of the Board of Directors/Supervisory Board;
- ✓ Available time;
- ✓ Compliance with audit frequency;
- ✓ Human resources involved.

In 2025, 20 planned internal public audit missions were carried out at Company level, all of which were regularity/compliance audits covering the following areas:

- 11 specific areas;
- 8 in the financial-accounting field;
- one mission in human resources;

The objectives audited in 2025 included:

- coordination of the Company's CTES activity;
- implementation of programmes/projects/contracts;
- preparation, analysis and endorsement/approval of studies, technical and

economic documentation, instructions and procedures, as well as provision of expertise and development of the Electricity Transmission Grid (ETG);

- protection of integrity whistleblowers;
- transparency in the decision-making process;
- access to information of public interest;
- preparation and monitoring of implementation of the Prevention and Protection Plan in the field of occupational health and safety;
- monitoring of staff health;
- development and monitoring of implementation of the Annual Investment Programme;
- organisation of activities within investment projects;
- acceptance of assets resulting from implementation of the Annual Investment Programme;
- development and monitoring of implementation of the Electricity Transmission Grid Maintenance Programme (ETG);
- scheduling, performance and reporting of strategic services/works carried out under the services/works contract in facilities managed by the branches;
- acceptance of ETG maintenance services and works;
- operation of the vehicle fleet;
- maintenance of the vehicle fleet;
- preparation of proposals for the decommissioning of fixed assets and for the declassification and scrapping of tangible assets other than fixed assets;
- approval of the decommissioning, declassification and scrapping of tangible assets other than fixed assets;
- completion of the decommissioning of fixed assets and of the declassification and scrapping of tangible assets other than fixed assets;
- performance of treasury operations;
- inventorying of assets and recording of inventory results in the accounting records;
- preparation and execution of the income and expenditure budget;
- organisation and exercise of internal preventive financial control;
- establishment of an internal numbering system for financial and accounting documents;
- evaluation of operations related to the establishment, monitoring and payment of local taxes and duties;
- method of recording in the accounting records;

- compliance with cash discipline and compliance with financial discipline regarding cash receipts and payments;
- granting and justification of advances granted to employees;
- organisation of inventory activities;
- performance of inventory operations;
- inventory results;
- establishment and amendment of salary rights and related entitlements, as well as other types of entitlements, in accordance with the Collective Labour Agreement (CLA);
- method of calculation and recording in the accounting records of salary rights and related entitlements, as well as other entitlements, in accordance with the Collective Labour Agreement (CLA);

In 2025, no ad hoc audit missions were carried out at the Company level.

Furthermore, there were no cases of irregularities or possible damages reported by completing the Irregularities Finding and Reporting Form (FCRI).

For each internal public audit mission carried out, the audited entities drew up and signed the "Action Plan for the Implementation of Recommendations", which included all the recommendations made in the internal public audit reports, the persons responsible and the implementation deadlines.

At the same time, no unaccepted recommendations were found during the internal public audit missions carried out in 2025.

Internal public audit activity

The degree of achievement of the Internal Public Audit Plan for 2025 was 100%, with 60 recommendations made during the year, with the following results:

- 23 recommendations implemented, of which:
 - 21 recommendations implemented within the set deadline;
 - 2 recommendations implemented after the set deadline.
- 8 recommendations not implemented or partially implemented, of which:
 - 8 recommendations for which the set implementation deadline was not exceeded;
 - 0 recommendations for which the implementation deadline was exceeded.
- 29 recommendations not implemented, of which:

- 29 recommendations for which the set implementation deadline has not been exceeded;
- 0 recommendations with the implementation deadline exceeded.

At the level of the Company's subsidiaries, 11 assurance missions were carried out in 2025.

A total of 122 recommendations were also monitored in the Company's subsidiaries, with the following results:

- 81 recommendations implemented, of which:
 - 81 recommendations implemented within the set deadline;
 - 0 recommendations implemented after the set deadline.
- 29 recommendations partially implemented, of which:
 - 26 recommendations for which the set implementation deadline was not exceeded;
 - 3 recommendations for which the implementation deadline was exceeded.
- 12 recommendations not implemented, of which:
 - 5 recommendations for which the set implementation deadline was not exceeded;
 - 7 recommendations for which the implementation deadline has been exceeded.

The implementation of the recommendations made during all internal public audit missions carried out during 2025 aimed at and led to:

- more effective knowledge and application of the legislation, procedures and instructions relating to the activities audited;
- the identification and correction of deficiencies punishable by external control bodies;
- the elimination of negative aspects from the audited activities in order to reduce the conditions for the occurrence of risks;
- greater attention to the application of the regulations in force relating to human resources activities;

- greater attention to compliance with regulations in force relating to the Company's assets;
- improving the way contract managers monitor contractual clauses and their attitude in the event of non-compliance with these clauses by contractual partners;
- increased communication between the Company's entities;
- improvement of the internal control system for the audited entities and activities.

In 2025, no formal advisory or assessment missions were carried out at Company level. However, the Internal Public Audit structure provided advice throughout the year to those who requested it.

Thus, during the missions carried out, clarifications were provided regarding various legal or procedural provisions in force, and internal auditors responded promptly to various requests for clarification from subsidiaries or organisational entities within the Company.

Through its activities, the internal public audit adds value both by assessing the internal control system and analysing the risks associated with auditable activities, and by the recommendations included in the report prepared and submitted in order to ensure that the Company's objectives are achieved.

These recommendations have prompted the audited structures to improve their activities and their internal control system, with significant progress being noted from one audit to the next.

The internal public audit collaborates with the Audit Committee of the Company's Supervisory Board on the approval of the API's annual and multi-annual plan, the approval of the API's reports and the monitoring of the implementation of recommendations.

At the time of writing this report, the Annual Report on API's activity for 2025 has been submitted to the Supervisory Board and is currently awaiting approval.

Declaration of compliance with the BSE Corporate Governance Code

Provisions of the Code		Complies	Partially complies (Reason for non-compliance)
Section A – Responsibilities [of the Supervisory Board]			
A.1.	TEL shall have internal regulations of the Supervisory Board (SB) that include the terms of reference/responsibilities of the SB and the key management functions of TEL, and that apply, inter alia, the General Principles in Section A.	The SB of TEL carries out its activities and has the powers/competences established on the basis of the legislation in force, the Articles of Association, and <u>the Regulations on the organisation and functioning of the SB</u> posted on the Company's website: https://admportal.transelectrica.ro/documents/10179/100731/ROF+CS_24.10.2023.pdf/e6821301-e95b-4959-8c0f-44f65431c659	
A.2.	Provisions for managing conflicts of interest must be included in the SB regulations. In any case, SB members must notify the SB of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by not attending, unless such absence would prevent a quorum from being reached) and from voting on the adoption of a decision on the matter giving rise to the conflict of interest.	These issues are also stipulated in detail in <u>the SB's Rules of Procedure and Organisation</u> – Section 5.	
A.3.	The SB must consist of at least five members.	SB consisting of seven members Details - in the Annual Report, section Corporate Governance	
A.4.	No fewer than two non-executive members of the SB must be independent. Each independent member of the SB must submit a statement at the time of their nomination for election or re-election, as well as when any change in their status occurs, indicating the elements on the basis of which they are considered to be independent in terms of their character and judgement.	In the recruitment process related to the selection procedure regulated by GEO 109/2011, candidates are required to submit a sworn statement regarding their independent status (attached to the participation documentation). All seven SB members have completed and submitted statements of independence.	
A.5.	Other relatively permanent professional commitments and obligations of a SB member, including executive and non-executive positions in the SB of companies and non-profit institutions, must be disclosed to shareholders and potential investors prior to nomination and during their term of office.	Details - in the Declarations of Interest posted on the Company's website, Human Resources section; https://www.transelectrica.ro/web/tel/declaratii-de-avere ; or https://admportal.transelectrica.ro/web/tel/transparenta-ordin-guvern .	
A.6.	Any member of the SB must submit to the SB information regarding any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any relationship that may affect the member's position on matters decided by the SB.	The information is required from any SB member on the date of appointment by signing the declaration of compliance with the provisions of Article 40 of the Articles of Association in application of Article 34 of Law No. 123/2012;	
A.7.	The TEL must appoint a SB secretary responsible for supporting the Council's activities.	The composition of the SB Secretariat was designated by SB Decision No. 46/2022, and the persons who carried out the activity within the secretariat in 2025 were: Ionela Chelu and Irina Cojocar.	
A.8.	The corporate governance statement shall indicate whether an assessment of the Board has been carried out under the leadership of the Chair or the nomination committee and, if so, shall summarise the key measures and changes resulting from it. TEL must have a policy/guideline on the assessment of the SB, including the purpose, criteria and frequency of the assessment process.	TEL, as a <i>public company</i> , is subject to the provisions of Article 30(7) and Article 34(2) of Government Emergency Ordinance No. 109/2011 <i>on the corporate governance of public companies</i> with regard to the evaluation of members of management bodies. The evaluation procedure necessarily refers to financial and non-financial performance indicators, which were recently approved by Resolution No. 1/15.01.2025 of the General Meeting of Shareholders.	
A.9.	The corporate governance statement must contain information on the number of meetings of the Supervisory Board and committees during the last year, the attendance of directors (in person and in absentia) and a report of the Supervisory Board and committees on their activities.	In 2025, the Supervisory Board held 24 meetings, which were attended or, where applicable, represented by all or the majority of its members. There were 7 meetings of the Audit Committee, 6 meetings of the Nomination and Remuneration Committee, one meeting of the Risk Management Committee and 3 meetings of the Investment and Energy Security Committee.	

	Provisions of the Code	Complies	Partially complies (Reason for non-compliance)
A.10.	The corporate governance statement must include information on the exact number of independent members of the SB.	All seven SB members have completed and submitted declarations of independence.	
A.11.	The Supervisory Board of TEL must establish a nomination committee composed of non-executive members, which will conduct the procedure for nominating new members to the Supervisory Board and make recommendations to the Supervisory Board. The majority of the members of the nomination committee must be independent.	The Nomination and Remuneration Committee is set up within the Supervisory Board, with its duties and responsibilities detailed in the SB's Rules of Procedure. Details - in the Annual Report, Corporate Governance section The majority of the members of the Nomination and Remuneration Committee are independent.	
Section B - Risk management and internal control system			
B.1	The CS must establish an audit committee in which at least one member must be an independent non-executive director. The majority of members, including the chair, must have demonstrated that they have appropriate qualifications relevant to the committee's functions and responsibilities. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of Premium Category companies, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.	The audit committee is set up within the Supervisory Board, with its duties and responsibilities detailed in the Supervisory Board's Rules of Procedure. The five members of the Audit Committee are non-executive. All five members of the Audit Committee have completed and submitted declarations of independence. TEL, as a <i>public company</i> , is subject to the provisions of Article 34 of Government Emergency Ordinance No. 109/2011 <i>on the corporate governance of public companies</i> with regard to committees whose establishment is mandatory within the Board. Thus, the Audit Committee and the Risk Management Committee are established separately within the Board. Details - in the Annual Report, Corporate Governance section	
B.2.	The chair of the Audit Committee must be an independent non-executive member.	The members of the Supervisory Board, and consequently the members of the committees, are non-executive. All seven members of the Supervisory Board have completed and submitted declarations of independence.	
B.3.	As part of its responsibilities, the audit committee must conduct an annual assessment of the internal control system.	Details are provided in the Annual Report of the Audit Committee - OGMS Material for the meeting to approve the Annual Financial Statements, published in the AGM section on the Company's website.	
B.4.	The assessment must consider the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which executive management addresses deficiencies or weaknesses identified as a result of internal control, and the submission of relevant reports to the Board.	Details - in the Report of the Audit Committee and the Risk Management Committee of the Supervisory Board of National Power Grid Company. "Transelectrica" S.A. (TEL) for 2025 on the Company's internal control and significant risk management systems, GMS section on the Company's website, https://www.transelectrica.ro/web/tel/aga ,	
B.5.	The Audit Committee shall assess conflicts of interest in relation to transactions of the company and its subsidiaries with related parties.	In accordance with the Articles of Association of the National Electricity Transmission Company "Transelectrica"-SA and in application of the provisions of Law No. 24/2017, the Supervisory Board reviews and approves <i>significant transactions</i> with affiliated parties. The Supervisory Board is required to monitor the implementation within the Company of approval and implementation procedures for the tion of transactions concluded by the Company or its subsidiaries with the parties involved, as defined by capital market legislation and regulations, as well as best practices to ensure substantial procedural fairness in transactions with related parties (transactions with oneself), using for this purpose the criteria established or recommended by capital market legislation and regulations.	
B.6.	The audit committee must assess the effectiveness of the internal control system and the risk management system.	Details – in the Report of the Audit Committee and the Risk Management Committee of the Supervisory Board of National Power Grid Company "Transelectrica" S.A. (TEL) for 2025 on the Company's internal control and	

Provisions of the Code		Complies	Partially complies (Reason for non-compliance)
		significant risk management systems (Material related to the annual meeting of the OGMS/29.04.2026 with the approval of the annual financial statements on the agenda)	
B.7.	The Audit Committee shall monitor the application of legal standards and generally accepted internal audit standards. The Audit Committee shall receive and evaluate the reports of the internal audit team.	Details - in the Report of the Audit Committee and the Risk Management Committee of the Supervisory Board of National Power Grid Company "Transelectrica" S.A. (TEL) for 2025 on the Company's internal control and significant risk management systems (Material related to the annual meeting of the OGMS/29.04.2026 with the approval of the annual financial statements on the agenda)	
B.8.	Whenever the Code mentions reports or analyses initiated by the Audit Committee, these must be followed by periodic (at least annual) or ad hoc reports, which must subsequently be submitted to the Board.	Details - in the Report of the Audit Committee and the Risk Management Committee within the Supervisory Board of National Power Grid Company "Transelectrica" S.A. (TEL) for 2025 on the Company's internal control and significant risk management systems (Material related to the annual meeting of the OGMS/29.04.2026 with the approval of the Annual Financial Statements on the agenda)	
B.9.	No shareholder may be given preferential treatment over other shareholders in relation to transactions and agreements entered into by the company with shareholders and their affiliates.	The Company ensures equal treatment for all holders of securities of the same type and class and provides them with all the information necessary for them to exercise their rights.	
B.10.	The SB shall adopt a policy to ensure that any transaction by TEL with any of its closely related companies whose value is equal to or greater than 5% of TEL's net assets (according to the latest financial report) is approved by the SB following a mandatory opinion from the SB's audit committee and disclosed accurately to shareholders and potential investors, to the extent that these transactions fall within the category of events subject to reporting requirements.	In accordance with the Articles of Association of the National Electricity Transmission Company "Transelectrica"-SA and in application of the provisions of Law No. 24/2017, the Supervisory Board analyses and approves <i>significant transactions</i> with affiliated parties. At the same time, in order to fulfil the reporting obligations under Article 144(B)(4) of ASF Regulation No. 5/2018 on issuers of financial instruments and market operations, in conjunction with the provisions of Article 92^3 of Law 24/2017 on issuers of financial instruments and market operations, TEL's financial auditor performs a semi-annual analysis of transactions with affiliates.	
B.11.	Internal audits must be performed by a structurally separate division (internal audit department) within TEL or by engaging an independent third party.	Internal public audit activity at company level is carried out by the company's own audit structure, which is separate and reports directly to the Supervisory Board.	
B.12.	In order to ensure that the main functions of the internal audit department are fulfilled, it must report functionally to the Supervisory Board through the audit committee. For administrative purposes and as part of management's obligations to monitor and reduce risks, it must report directly to the CEO.	In accordance with legal provisions and the TEL Organisational Chart, the internal public audit structure reports to the Supervisory Board – Audit Committee, and the relevant information is also made available to the Board of Directors.	
Section C – Fair Remuneration and Motivation			
C.1.	TEL must publish its remuneration policy on its website and include in its annual report a statement on the implementation of the remuneration policy during the annual period under review.	In accordance with the regulations in force, the Company approves the Nomination and Remuneration Committee Report/Remuneration Report annually at the General Meeting of Shareholders. Details - in the Annual Report, Corporate Governance section, including on the Company's website, the mandate agreement is published, AGM/Corporate Governance section; Remuneration policy - annual OGMS material dated 29.04.2026	
Section D – Adding Value through Investor Relations			
D.1.	TEL must organise an Investor Relations service – indicating to the general public the person(s) responsible or the organisational unit. In addition to the information required by law, TEL must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:	Transelectrica has specialised organisational entities for both Investor Relations and Shareholder Relations (contact). Data and information can be found at https://www.transelectrica.ro/web/tel/relatii-investitori .	

	Provisions of the Code	Complies	Partially complies (Reason for non-compliance)
D.1.1	Main corporate regulations: Articles of association, procedures regarding general meetings of shareholders;	You can consult the TEL website, https://www.transelectrica.ro/regulament-de-guvernanta-corporativa , and the AGM Procedure is included in each Notice of Meeting/supplement to the notice of meeting, section Investor Relations/AGM.	
D.1.2	Professional CVs of TEL management body members, other professional commitments of SB members, including executive and non-executive positions on boards of directors of companies or non-profit institutions;	Public documents on the TEL website, in the Investor Relations/Corporate Governance/Supervisory Board and Board of Directors - <i>Biographical Notes and CVs</i> section; (https://www.transelectrica.ro/web/tel/guvernanta-corporativa).	
D.1.3	Current reports and periodic reports (quarterly, half-yearly and annual) - at least those provided for in point D.8 - including current reports with detailed information on non-compliance with this Code;	Relevant documents can be consulted on the TEL website, in the Investor Relations section, under Current Reports and Periodic Reports, link: https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.1.4	Information regarding general meetings of shareholders: agenda and information materials; procedure for electing Board members; arguments supporting the proposals for candidates for election to the Board, together with their professional CVs; shareholders' questions regarding the items on the agenda and the company's responses, including the decisions adopted;	The documents can be consulted on the TEL website, in the Investor Relations/AGM section, link: https://www.transelectrica.ro/web/tel/aga ,	
D.1.5	Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events that lead to the acquisition or limitation of a shareholder's rights, including deadlines and principles applied to these operations. The relevant information will be published in a timely manner to allow investors to make investment decisions;	The documents can be consulted on the TEL website, Investor Relations section, link https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.1.6	Name and contact details of a person who will be able to provide relevant information upon request;	relatii.investitori@transelectrica.ro , Shareholder: Mihaela GRAMA - contact number: +40.21.303.59.48 Investor Relations: Adrian ȘUȚA - contact number: +40.21.303.56.67, public data and on the TEL website, link: https://www.transelectrica.ro/web/tel/contact-ri ,	
D.1.7	TEL presentations (e.g. investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.	The documents can be consulted on the TEL website, Investor Relations section, link: https://www.transelectrica.ro/web/tel/rapoarte-periodice ,	
D.2	TEL will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the Board of Directors and adopted by the Supervisory Board, in the form of a set of guidelines that TEL intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the TEL website.	The distribution of the Company's profit is carried out in accordance with the provisions of Government Ordinance 64/2001 on the distribution of profit to national companies, national companies, commercial companies with wholly or majority state capital, as well as autonomous administrations.	
D.3	TEL will adopt a policy on forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the overall impact of a number of factors on a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, and the actual results may differ significantly from the forecasts initially presented. The forecast policy will determine the frequency, period covered and content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the Company's website.	The Company's activity is regulated by the National Energy Regulatory Authority.	

	Provisions of the Code	Complies	Partially complies (Reason for non-compliance)
D.4.	The rules of the GSM shall not restrict the participation of shareholders in the GSM and the exercise of their rights. Amendments to the rules shall take effect, at the earliest, from the next GSM;	TEL respects all the rights of holders of issued financial instruments and ensures their fair treatment, regardless of the number of shares held, and makes continuous efforts to achieve effective, active and transparent communication in order to enable shareholders to exercise their rights in a fair manner;	
D.5.	External auditors shall be present at the general meeting of shareholders when their reports are presented at such meetings.	There are no procedural limitations in this regard.	
D.6.	The SB will present to the annual general meeting of shareholders a brief assessment of the internal control and significant risk management systems, as well as opinions on matters subject to the decision of the general meeting.	OGMS material for the meeting on 29 April 2026 – Report of the Audit Committee and the Risk Management Committee of the CS of TEL for 2025 on the Company's internal control and significant risk management systems.	
D.7.	Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting upon prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	Accredited journalists may also attend the general meeting of shareholders, provided that they give prior notice (in order to facilitate access).	
D.8.	Quarterly and half-yearly financial reports shall include information in both Romanian and English on the key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to another.	Relevant documents can be found on the TEL website, in the Investor Relations/Periodic Reports section, at https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.9.	TEL will organise at least two meetings/teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the TEL website on the date of the meetings/teleconferences.	In accordance with TEL's Annual Financial Communication Calendar, approved and submitted to the capital market institutions, the BSE and the ASF, the Company has scheduled four meetings with financial analysts, investment advisors, brokers and investors in 2025 to present its financial results (https://admportal.transelectrica.ro/ro/web/tel/calendar-financiar)	
D.10	If TEL supports various forms of artistic and cultural expression, sporting activities, educational or scientific activities and considers that their impact on TEL's innovative character and competitiveness are part of its mission and development strategy, it will publish its policy on its activity in this area.	The document can be consulted on the TEL website, in the About us/Corporate social responsibility section, link: https://www.transelectrica.ro/web/tel/responsabilitate-sociala-corporativa Information related to this section can be accessed by consulting the documents in the 2025 annual periodic report.	

15. Corporate Social Responsibility

Corporate social responsibility policy

Any modern organisation is evaluated beyond its economic performance, management quality and communication policy, and according to its contribution to the social life of the community to which it belongs.

Social Responsibility is a management process through which the Company wishes to contribute to the development of a sustainable and successful Romanian society.

Social responsibility towards the community is just as important as business success, which is why the Company has considered throughout 2025 to correlate its Corporate Social Responsibility policy with the social problems of the community where it operates, getting involved in solving social problems and supporting increased access to education in disadvantaged areas.

The company takes into account the interests of society and is accountable to its employees, shareholders, the community and the environment.

Social responsibility is an integral part of the company's business strategy and contributes to strengthening its market position and maintaining its reputation.

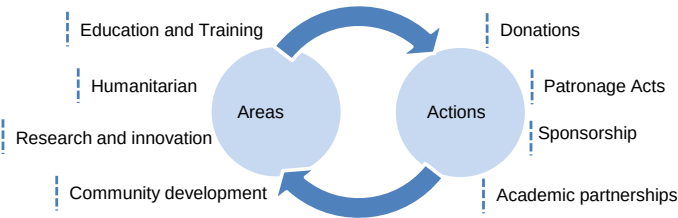
Figure 35: CSR policy – dialogue with stakeholders



CSR areas and actions

Social responsibility is a management process through which Transelectrica aims to contribute to the development of a sustainable and successful Romanian society. Our vision in the field of corporate social responsibility is to promote national values such as innovation, team spirit, respect for diversity and commitment. These are the foundations of our performance.

Through its corporate social responsibility policy, the Company focuses on the following areas and actions included in a long-term strategy:



Education and training

Objective: To support young people studying in the energy field in their educational and professional development.

For Romanian society, young people are the most important asset. We are active in the academic environment through partnerships with student associations, but also through other initiatives.

- We collaborate with energy-related faculties by equipping research laboratories and awarding scholarships to students.
- We offer students in the energy field the opportunity to participate in Transelectrica's activities in the form of technical visits to the company.

Humanitarian actions

Objective: To sponsor associations that support people with medical needs, from disadvantaged areas and low-income families, or who need long-term medical treatment.

People are at the centre of our concerns and we always try to help the disadvantaged.

Among those who can benefit from our support are the associations that come to their aid..

The environment

Objective: To ensure the protection and improvement of the environment and to promote activities that result in selective collection for recycling.

Corporate social responsibility could also be perceived as being based on personal social responsibility, on the care and willingness of each individual to build their existence in close connection with the environment, in the context of identifying with the values promoted by the company.

Our environmental policy reflects our commitment to carrying out all our specific activities in a responsible

manner, paying due attention to the impact on the environment and sustainable development



This includes environmental protection, and environmental protection is a prerequisite for sustainable development. The requirements and demands at European Union level call for a new approach to global environmental issues, in terms of their effects and pressure on the environment and all the consequences of socio-economic development. Specifically, we want corporate social responsibility actions to have as their main component, regardless of their final direction, environmental aspects and ways in which the environmental impact of our activities can be significantly reduced.

Social responsibility towards employees

The Company's objective regarding social responsibility towards employees involves providing support to both Company employees and their families in the event of major health problems.

Corporate volunteering

Objective: To carry out volunteer activities aimed at solving community problems.

Employer-supported volunteering refers to any effort by the Company to encourage its employees to participate in community volunteer activities and to support them in their efforts to get involved.

The Company's executive management encourages and supports employee participation as volunteers in various fundraising activities and campaigns and proposes specific projects in which they can offer their time and dedication to improving employee relations through team activities.

Project eligibility criteria

Transelectrica will only support projects or organisations that can ensure the achievement of the objectives set out in the Corporate Social Responsibility strategy, as mentioned above.

At the same time, Transelectrica wishes to support projects/organisations that share the same values and prove to be beneficial to society.

Sponsorships granted by the company are NOT available to:

- Political parties or organisations whose activities are similar to those of a political party;
- Public institutions, except for educational institutions (schools, kindergartens, universities, etc.), museums, hospitals and other cultural and health institutions based in Romania;
- Natural or legal persons subject to a conflict of interest;
- Organisations/institutions seeking to make a profit;
- Natural or legal persons who have been declared in a previous sponsorship situation;
- Beneficiaries who are in the process of or about to undergo judicial reorganisation, dissolution, liquidation or have their activities suspended;
- Beneficiaries/organisations that have been convicted of a criminal offence;
- Beneficiaries/organisations that have been declared in breach of a previous financing and/or donation and/or sponsorship agreement with Transelectrica;
- Persons affiliated or whose relatives up to the third degree are affiliated with political parties or any other organisation whose activity is similar to theirs.

In accordance with Article XIV of Government Emergency Ordinance No. 2/2015, amending and supplementing certain legislative acts and other measures, it is provided that the economic operators referred to in Article 1 of Government Ordinance No. 26/2013 on strengthening financial discipline at the level of economic operators in which the state or local authorities are sole or majority shareholders or hold directly or indirectly a majority stake, approved with amendments by Law No. 47/2014 (a category to which

the Company belongs), which grant donations and sponsorships in cash, in accordance with the legislation in force, shall comply with the following ceilings when granting them:

- minimum 40% of the approved amount, in the medical and health field;
- minimum 40% of the approved amount, in the fields of education, teaching, social and cultural for equipment, services, actions or any other activities related to these fields, including national programmes;
- maximum 20% of the approved amount for other actions and activities, including those supplementing the first points.

Sponsorship policy

The sponsorship criteria established by the Company are:

- **Transparency:** Sponsorship must be transparent, its beneficiary must be known, and the purpose for which it will be used must be disclosed and verifiable;
- **Purpose:** The amount donated must contribute to a purpose relevant to the sector described above;
- **Cost:** The cost of implementing the project/action to be sponsored must be justified and detailed;
- **Reputation/Trustworthiness of the beneficiary:** As far as possible, an assessment of the beneficiary's integrity shall be carried out;
- **Strategic framework for sponsorships:** Sponsorships must be in line with Transelectrica's strategy;
- **Benefits offered to the Company:** The beneficiary must offer Transelectrica opportunities for visibility and reciprocity in business with financial impact;
- **Previous relations with Transelectrica:** Previous positive experience has a positive influence on the assessment of the new application.

Sponsorship or donation is evaluated by the Company according to the evaluation criteria.

- The beneficiary must submit a concise report to the Corporate Social Responsibility Department after the completion of the Donation/Sponsorship process, mentioning all the tangible results implemented by the beneficiary.
- The Company must monitor the following in general:
 - Compliance with the written contract and company policies;
 - Achievement of sponsorship or donation objectives;

- Good management and record keeping;
- Submission of reports;
- Benefits to the Company and the community.

All sponsorship/donation requests must be made in writing and addressed to the Corporate Social Responsibility Department, including the following details:

- The name of the organisation/beneficiary, telephone number, address and contact person;
- The purpose of the action/programme/event for which support is requested, including background information;
- The amount required;
- The results that will be achieved through the support provided;
- The benefits resulting from the support provided.

Consequently, Transelectrica, as part of public life, has certain duties towards society.

Community involvement is necessary not only to ensure our commercial success, but also to gain the respect of the communities in which we operate, contributing to the development of a sustainable and successful Romanian society.

For this reason, the projects we choose to get involved in must go beyond the business area and get as close as possible to the needs of people and the environment in order to actively participate in improving the quality of life and living standards.

Our commitment is to support strategic partnerships in these areas and to convince, by our own example, employees, customers and even business partners to join us.

Main CSR projects in 2025

In 2025, we have chosen to continue our involvement in areas such as education and training, humanitarian and environmental actions, and responsibility towards employees.

The total amount for sponsorship, patronage, corporate social responsibility, scholarships, etc. was RON 4,982,950, according to the revised expenditure and income budget approved for 2025.

The expenses for 2025 were distributed across the following areas:

- Medical and health: RON 2,395,450 (this amount also includes financial aid granted to people diagnosed with various medical conditions)
- Education, social and sports: RON 1,623,500
- Other activities: RON 964,000.

The company decided to grant financial aid amounting to RON 1,814,550 to 62 people diagnosed with various medical conditions to cover their treatment costs.

In 2025, Transelectrica continued the social responsibility actions initiated in recent years and became involved in new programmes, becoming increasingly visible and consistent, working alongside associations, non-governmental organisations and educational institutions with an energy/technical profile.

The total value of sponsorship contracts in the fields of education, social welfare and sport in 2025 was RON 1,623,500.

Consequently, Transelectrica, as part of public life, has clear duties towards society. Community involvement is necessary not only to ensure our

commercial success, but also to gain the respect of the communities in which we operate, contributing to the development of a sustainable and successful Romanian society.

In 2026, Transelectrica will implement its CSR policy in order to achieve its objectives, supporting disadvantaged groups and promising young people, while also taking into account the quality of education and environmental impact.

As in the previous year, another priority for 2026 is to support the younger generation by getting involved in professional development through the awarding of scholarships to both students and pupils with outstanding results from energy-related educational institutions and by equipping the research laboratories of relevant faculties or schools.

Environmental responsibility

Environmental protection is an important objective for the Company, with a view to its sustainable development. Thus, the environmental protection policy is an integral part of the general policy, with the objectives of maintaining an efficient environmental management system, preventing and reducing pollution, complying with national and European legal requirements, and ensuring sustainable development.

The environmental objectives for 2023 were to maintain an efficient environmental management system, prevent and reduce pollution so that the impact of the Electricity Transmission Grid on the environment falls within the limits of national and European requirements. The objectives were achieved through preventive and corrective actions included in the annual environmental management programme.

In order to achieve these objectives, the Company took measures to reduce its environmental impact in both its operating and maintenance and investment activities, which involved construction and installation works, so that in 2023 no particular environmental protection issues were reported.

Descrierea Description of ETG's impact on the environment

High-voltage electrical installations, consisting mainly of overhead power lines and transformer and connection stations, have a significant impact on the environment due to both the technical complexity of the installations and the land areas occupied and lengths of tens or even hundreds of kilometres, usually across several counties.



Under normal operating conditions, no pollutants are released into the environment. However, some polluting chemicals may be accidentally released into the environment in the event of equipment leaks, misuse, damage or during construction and maintenance work.

The identification and assessment of environmental aspects for technology and construction are carried out from the first design phase. Based on these, an environmental management plan (for construction, operation and decommissioning of the plant) is drawn up, which includes a programme of measures to prevent pollution and reduce impact, and a programme for monitoring environmental factors.

Environmental aspects related to *construction* are divided into:

➤ **physical** aspects, which manifest themselves (effects) as:

- soil damage through the opening of new access roads, stripping and excavation
- land occupation with the organisation of the construction site, including storage areas
- damage to flora through systematic deforestation
- impact on fauna (habitat fragmentation, electrocution, etc.)
- damage to birds (through the construction of aerial obstacles located on flight paths)
- generation of waste (porcelain, glass, concrete, metals, used oil, packaging, rubble, etc.)
- impact on the population and fauna through noise produced by machinery, means of transport, etc.
- impact on the population and fauna due to noise produced by the Corona effect at high-voltage installations

➤ **chemicals**, including:

- soil and/or water pollution through accidental spills of fuel, oil and other chemicals
- air pollution through:
 - combustion gas emissions (SOx, COx, NOx, VOCs, suspended particulates) from heating installations or means of transport
 - sulphur hexafluoride (SF6) emissions – accidental leaks during gas handling or due to equipment leaks
 - dust emissions due to construction and assembly work
 - emissions of volatile organic compounds from paints and thinners, etc.

➤ **socio-economic** impacts such as disruption of social activities, including population displacement

Environmental aspects related to *operation and maintenance* are divided into:

➤ **physical** aspects, which manifest themselves (effects) as:

- land occupation by power lines and substation sites
- damage to flora through systematic deforestation
- impact on fauna (habitat fragmentation, electrocution, etc.)
- impact on birds and flying machines (aerial obstacles located on flight paths, collision, electrocution, etc.)
- risk of electrocution or burns through contact or through the fall of power lines near or at road, railway, waterway, building crossings, etc.
- fire hazard due to damage to insulation or accidental contact with conductors by objects or dry vegetation
- impact on the population and fauna from noise and vibrations produced by the operation or vibration of ETG elements
- sound and light effects of the Corona phenomenon
- disruption of radio and television systems caused by the electromagnetic field
- effects of the electromagnetic field on telecommunications installations or other electrical networks at intersections and in their vicinity
- effects of the electromagnetic field on living beings.

➤ **chemical effects**, including:

- soil and/or water pollution due to accidental spills of fuel, oil and other chemicals
- air pollution through:
 - combustion gas emissions (SOx, COx, NOx, VOCs, suspended particulates) from heating installations or means of transport
 - sulphur hexafluoride (SF6) emissions – accidental leaks during gas handling or due to equipment leaks
 - ozone and nitrogen oxides – high-voltage corona effect
 - sulphuric acid vapours – from storage batteries.

➤ **visual and psychological effects** due to the impact on the landscape and the fear caused by the proximity and visual and noise effects of the ETG.

The company has taken measures to prevent pollution and reduce its environmental impact in both its operations and in its maintenance and investment activities, which involve construction and assembly, so that in 2025 no particular environmental protection issues were reported.

In terms of environmental impact, in 2025:

Impact indicators

Table 37: Area occupied by power lines and substations

Entity	Without safety zone [m2]		With safety zone [m2]	
	Substations	LEA	OHL	OHL
Total 2025	3,995,212	2,890,762	6,954,130	485,054,865
Total 2024	3,995,286	2,709,056	7,093,750	551,312,906
Total 2023	3,988,066	2,893,289	7,137,572	551,176,743

Sources of soil, groundwater and surface water pollution

No pollutants are discharged into the soil, groundwater or surface water during normal operation of the ETG facilities. Accidental pollution may occur due to leaks/breakage of equipment containing hazardous substances or insulating oil, or due to malfunctions in the oil regeneration/supply/discharge facilities in/from the equipment.

Oil/fuel leaks from machinery and means of transport may also occur during construction and maintenance work (oil spilled into the environment was retained with absorbent, biodegradable soil).

Sources of air pollution

Direct emissions

During construction, maintenance and normal operation of ETG installations, no significant quantities of pollutants are released into the atmosphere.

During the construction, maintenance and normal operation of ETG installations, the following emissions may be released into the atmosphere: suspended particulates - during construction works, combustion gases - from motor vehicles, generators and thermal power plants, negligible amounts of ozone (Corona effect), sulphur hexafluoride - as a result of equipment leaks or improper gas handling.

In the event of fires or explosions, combustion gases (SO_x, CO_x, NO_x, VOCs, suspended particulates, etc.) may be released.

High-voltage power lines pollute the atmosphere with ozone and nitrogen oxides as a result of Corona discharges that occur around active conductors, especially in rainy weather. The additional contribution of these pollutants to the existing background is not significant and cannot lead to exceedances of the

- there were no accidental pollution incidents with a significant impact on the environment;
- there were no complaints regarding the environment;
- 89.77% of the waste generated was disposed of/recycled, with the rest being stored.

legal information threshold values, beyond which there is a risk to human health.

Sources of wastewater

The electricity transmission process does not generate any technological wastewater. The wastewater generated on the ETG site is *domestic wastewater* from human activity (it is discharged directly into the municipal sewerage system or pumped out and transported to an urban wastewater treatment plant or treated locally in micro-treatment plants and discharged onto the ground or into surface waters), *rainwater* collected in oil equipment tanks and in concrete waste and equipment storage pits (may contain oil from leaks) which is mechanically treated in water separators - oil and discharged into the municipal sewerage system or pumped out and transported to an urban wastewater treatment plant or discharged onto land or into surface waters in compliance with the maximum permissible limits for pollutants discharged into the environment.

Waste generation

The activity of transporting electricity does not directly result in waste. Waste results from construction, maintenance and human activity. The quantities of waste vary from year to year, depending on the volume of investment and maintenance work.

The waste generated was disposed of/recycled by authorised companies.

Electromagnetic field generated by ETG installations

The 220kV and 400kV electrical transformer/connection stations and overhead power lines have a relatively limited impact on the surrounding areas, existing only around the ETG installations. Most of the disruptive effects are due to electrical induction (in

metal objects or structures not connected to the ground) and interference phenomena.

The design solutions adopted for the construction of high-voltage power lines and substations ensure adequate protection against the effects of exposure of living organisms to electromagnetic fields and reduce the impact of these installations on the environment.

Table 38: Waste management

Year	Waste generated (t)	Recovered waste (t)	Waste disposed of (t)	Waste stored (t)	Waste management indicator: <i>disposed waste, recovered waste/waste generated</i>
2025	21,717.59	14,775.82	6,625.08	627.20	89,77%
2024	10,341.65	8,550.89	3,174.29	6,048.96	71,54%
2023	6,061.9	2,117.5	2,653.8	1,290.6	78,70%

Noise pollution

During construction, noise may be generated due to the execution of works and the operation of equipment and vehicles. During operation, noise pollution is caused by the noise generated by the operation and vibration of ETG installations or by Corona discharges in the space around active conductors.

The noise level produced by the Corona effect at a distance of 25 m from the active conductor varies between 53 dB in rainy weather and 33 dB in fair weather.

Impact on wildlife

The impact on wildlife is particularly significant for birds, which collide with or are electrocuted by PVA installations in migration corridors or protected areas.

The main migration corridors of various bird species have been identified in the Banat, Dobrogea and Danube Delta areas.

Impact on vegetation

The impact on vegetation is determined by the permanent or temporary occupation of land and the removal of vegetation exceeding a certain height from the safety zones of ETG installations to prevent fires. This impact can only be significant in protected areas.

Measures taken to prevent and/or limit the impact on the environment.

The main measures taken during 2025 to prevent and/or limit the impact on the environment were related to:

- execution of works for:
- construction or maintenance of sewage networks for domestic and/or rainwater;

According to studies carried out by specialist institutions in the vicinity of 220kV and 400kV overhead lines, the intensity of the electric field decreases with distance, so that at a distance of approximately 25-30 m from the axis of the line, the field intensity is zero.

- installation of water-oil separators on oil equipment tanks and storage platforms;
- construction of concrete platforms for the temporary storage of equipment and waste;
- maintenance of oil or SF6 equipment to prevent leaks;
- painting overhead power line poles in colours appropriate to the landscape;
- clearing/maintaining safety corridors for overhead power lines;
- restoration/landscaping of land to bring it back to its original condition after completion of the works.
 - procurement of services related to:
- monitoring the quality of wastewater from the Company's stations and premises and proposing solutions to reduce pollution in accordance with the requirements of environmental and water management permits;
- assessment of the influence of the installations in the Electricity Transmission Grid on air quality by monitoring pollutant emissions into the atmosphere;
- collection, sorting, transport and recovery/disposal of waste.
 - developing environmental management plans for maintenance, refurbishment/modernisation projects.

 **RON 9,2 million**
Environmental protection

Total environmental protection expenses, included in operating, maintenance and investment expenses,

amounted to RON 9.2 million (approximately EUR 1.8 million).

Compliance with legal requirements

The Company's management objectives (272 objectives: electrical substations and connection stations, overhead power lines, headquarters, etc., authorised or in the process of authorisation/reauthorisation) operate in accordance with legal requirements regarding environmental protection, with a 100% authorisation rate (8 environmental authorisations).

Maintenance and investment works were carried out in accordance with legal and regulatory requirements (environmental permits and/or agreements and water management permits, as applicable).

The waste generated was managed in accordance with legal requirements and disposed of/recycled by authorised companies, with fees also being paid to the Environment Fund. All measures ordered by the regulatory and control authorities in the field of environmental protection and water management were complied with.

Environmental factors (air, water, soil, noise, electromagnetic field, waste) were monitored in accordance with the requirements of the regulatory documents on the environment and water management.

All environmental information was reported correctly and on time in accordance with legal and regulatory

requirements and those resulting from checks carried out by regulatory and control authorities.

Proposed activities for 2026

The main services and works for preventing and/or limiting environmental impact proposed for 2026 include:

- cleaning and periodic technical inspection of existing petroleum product separators in electrical substations;
- services for updating the technical documentation required to renew water management authorisations for Transelectrica SA objectives;
- maintenance and repair services at biological wastewater treatment plants;
- collection, transport and recovery/disposal of waste resulting from the works (WEEE, insulator waste, etc.);
- works to restore the natural environment affected by the works carried out at the Company's facilities;
- works to maintain safety corridors for overhead power lines;
- maintenance and repair works to prevent SF₆ losses;
- septic tank emptying services at the Company's stations;
- studies and research on monitoring the quality of wastewater from stations and premises.





Annexs

Annex 1 - Articles of Association amended in 2025

- At the date of this report, there are no Articles of Association amended in 2025.

Annex 2 - Appointment/revocation documents issued in 2025

Board of Directors

- At the time of writing this report, there are no acts of appointment/dismissal of the Company's Board of Directors.

Supervisory Board

- At the time of writing this report, there are no acts of appointment/revocation of the Supervisory Board.

Annex 3 - Important contracts concluded by the company in 2025

REPORT pursuant to EGMS Resolution No. 4/29.04.2015 on contracts signed in 2025 for the purchase of goods, services and works, whose value exceeds 500,000 Euro/purchase (for purchases of goods and works) and 100,000 Euro/purchase (for services)

No	Contract Number	Subject of the Contract	Duration	Amount		Duration	Legal Basis	Procurement Procedure
			Months	Thousands of RON	Months			
0	1	2	3	4	5	6	7	8
1	C 1317/2025	Upgrading the Teleajen station to 400 kV and refurbishing the 110 kV Teleajen station	40	161,946	0	Works	Law 99/2016+ GD 394/2016	Open tender
2	C 1475/2025	400 kV Suceava – Bălți OHL for the project section on Romanian territory	52	133,428	0	Works	Law 99/2016+ GD 394/2016	Open tender
3	C 1232/2025	400 kV Stâlpu electrical substation and modernisation of 110 kV and medium voltage cells in the Stâlpu electrical substation - works	24	95,331	0	Works	Law 99/2016+ GD 394/2016	Open tender
4	SB 11/2025	Major maintenance of the 220 kV Cluj - Florești - Alba Iulia power line and antenna pole (execution)	36	17	0	Works	Law 99/2016+ GD 394/2016	Open tender
5	C 1465/2025	RC 400 kV Iron Gates – Slatina OHL	36	9,075	0	Works	Law 99/2016+ GD 394/2016	Open tender
6	PT 5/2980/2025	Installation of anti-galloping devices to reduce the galloping effects of active conductors on the 400 kV Slatina-Dragănești Olt substation and the 220 kV Slatina-Grădiște substation	12	5,304	0	Works	Law 99/2016+ GD 394/2016	Open tender
7	C 1519/2025	Program for offline calculation of short-circuit currents, verification of protection settings, determination of system equivalents and simulation of fault scenarios in electrical networks	38	3,295	0	Supply	Law 99/2016+ GD 394/2016	Open tender
8	TM 12/2025	Reconductoring of the 220 kV Urechești, Târgu Jiu Nord - Paroșeni - Baru Mare - Hâsdat power line (design)	18	2,706	0	Services	Law 99/2016+ GD 394/2016	Open tender
9	C 1235/2025	Financial audit services for the year 2024	12	1,095	0	Services	Law 99/2016+ GD 394/2016	Simplified procedure
10	C 1845/2025	Transition to 400 kV voltage on the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis. 400 kV Timișoara - Arad power line, (Stage III)	36	185,213	0	Works	Law 99/2016+ GD 394/2016	Open tender
11	C 1592/2025	220 kV Ostrovu Mare Station	24	76,944	0	Works	Law 99/2016+ GD	Open tender

No	Contract Number	Subject of the Contract	Duration	Amount		Duration	Legal Basis	Procurement Procedure
			Months	Thousands of RON	Months			
							394/2016	
12	BC 12/2025	Modernisation of the 220 kV 110 kV command, control, protection and metering system in the 220/110/20 kV station and refurbishment of the medium voltage and internal DC/AC services in the 220/110/20 kV Ghizdaru station	24	39,858	0	Works	Law 99/2016+ GD 394/2016	Open tender
13	C 1723/2025	Purchase and installation of compensation coil in the 400kV Porțile de Fier station	24	28,945	0	Works	Law 99/2016+ GD 394/2016	Open tender
14	C 1827/2025	Specialised consulting services for works/services in 110 - 750 kV OHL	48	11	0	Services	Law 99/2016+ GD 394/2016	Open tender
15	SB 16/2025	Maintenance services for 220-400 kV power line corridors in areas with tree vegetation (STT Sibiu)	36	4,166	0	Services	Law 99/2016+ GD 394/2016	Open tender
16	BA 16/2025	Increasing the transmission capacity of the 220 kV Gutinaș-Dumbrava line (design)	12	3,569	0	Services	Law 99/2016+ GD 394/2016	Open tender
17	C 1708/2025	Multispectral aerial inspection of 110-220-400-750 kV overhead power lines	36	2,892	0	Services	Law 99/2016+ GD 394/2016	Open tender
18	BA 17/2025	Increasing the transport capacity of the 220 kV Dumbrava-Stejaru power line (design)	12	2,145	0	Services	Law 99/2016+ GD 394/2016	Open tender
19	TM 15/2025	Maintenance services for the OHL passage corridor in areas with tree vegetation	24	1,750	0	Services	Law 99/2016+ GD 394/2016	Open tender
20	SB 12/2025	Increasing the transmission capacity of the 220 kV Fântânele - Ungheni overhead line (design)	9	1,447	0	Services	Law 99/2016+ GD 394/2016	Open tender
21	C 1682/2025	SEN adequacy study for the 2030 horizon, in the new European legislative context regarding the transition to renewable energy	8	999	0	Services	Law 99/2016+ GD 394/2016	Simplified procedure
22	TM 36/2025	Construction of the 400 kV Nădab-Bekescsaba overhead line, circuit 2, and related works at the 400 kV Nădab substation (design)	9	980	0	Services	Law 99/2016+ GD 394/2016	Open tender
23	BC 16/2025	Modernisation of the command, control, protection and automation system at the 400/220/110/10kV Bucharest South station (design)	10	72	0	Services	Law 99/2016+ GD 394/2016	Open tender
24	C 1846/2025	AutoCAD licence subscription	36	646	0	Services	Law 99/2016+ GD 394/2016	Open tender
25	PT 6/3779/2025	Repair and maintenance services for fire detection and signalling subsystems and automatic fire location and extinguishing subsystems in facilities belonging to STT Pitești: Arefu station, Stupărei station, Răureni station, Slatina/CE Slatina station	36	598	0	Services	Law 99/2016+ GD 394/2016	Open tender
26	CR 1753/2025	Modernisation of SCCPA 220/110 kV Ișalnița station (design)	8	586	0	Services	Law 99/2016+ GD 394/2016	Open tender
27	C 2097/2025	Construction of a new 400 kV single-circuit overhead power line (lea) between Gădălin and Suceava,	69	688,355	0	Works	Law 99/2016+ GD	Open tender

No	Contract Number	Subject of the Contract	Duration	Amount		Duration	Legal Basis	Procurement Procedure
			Months	Thousands of RON	Months			
		including interconnection to the sen					394/2016	
28	SB 20/2025	Specialised security, monitoring and intervention services for STT Sibiu facilities	36	13,765	0	Services	Law 99/2016+ HG 394/2016	Open tender
29	PT 27/7439/2025	Maintenance services for 220-400 kV power lines in areas with tree vegetation	36	6,228	0	Services	Law 99/2016+ GD 394/2016	Open tender
30	C 2270/2025	Pilot project "Digital Power of the Future" – conversion of the 400 kV Isaccea-Tulcea West line from single circuit to double circuit (design)	36	3,379	0	Services	Law 99/2016+ GD 394/2016	Open tender
31	BA 35/2025	Specialised security, monitoring and intervention services for STT Bacău facilities	6	2,673	0	Services	Law 99/2016+ GD 394/2016	Negotiation without prior invitation to a competitive bidding procedure
32	C 2114/2025	Services for monitoring the quality of wastewater from electrical transport/connection stations, Transelectrica SA headquarters and pollution reduction solutions.	36	849	0	Services	Law 99/2016+ GD 394/2016	Simplified procedure
33	BA 38/2025	Repair and maintenance services for the integrated security system at the Gutinaş power station	36	786	0	Services	Law 99/2016+ GD 394/2016	Simplified procedure
34	PT 24/6782/2025	Mowing and vegetation removal services for fire prevention purposes at electrical stations managed by STT Pitești	36	691	0	Services	Law 99/2016+ GD 394/2016	Simplified procedure
35	C 2420/2025	Major maintenance of the 220 kV Tihău - Baia Mare power line 3	48	25.111	-	Works	Law 99/2016+ GD 394/2016	Open tender
36	C 2537/2025	Installation of photovoltaic power plants (PVP) and electricity storage facilities for supplying internal services installed in National Power Grid Company stations. Transelectrica SA – PVP stations in the STT Cluj, STT Pitești, STT Sibiu, STT Timișoara areas in the following electrical stations: 400 kV Gădălin, 400 kV Bradu, 400/220/110/6 kV Iernut, 220 kV Paroșeni, 220/110 kV Pestiș	4.5	24,039	-	Works	Law 99/2016+ GD 394/2016	Open tender
37	C 2539/2025	Installation of photovoltaic power plants (PVP) and electricity storage facilities for supplying internal services installed in National Power Grid Company stations. Transelectrica SA – PVP stations in the STT Bacău area in the following electrical stations: 220/110/20/6 kV FAI, 400/220/110 kV Gutinaș, 400/110 kV Roman Nord	4.5	13,756	-	Works	Law 99/2016+ GD 394/2016	Open tender
38	C 2538/2025	Installation of photovoltaic power plants (PVP) and electricity storage facilities for supplying internal services installed in National Power Grid Company Transelectrica SA stations – PVP stations in the STT Craiova area in the 220 kV Ișalnița, 220/110/20 kV Târgu Jiu Nord, 220/110 kV Craiova Nord, 220/110/20/6 kV Turnu Severin Est, 220/110 kV Calafat electrical stations	4.5	12,529	-	Works	Law 99/2016+ GD 394/2016	Open tender
39	BA 55/2025	Specialised security, monitoring and intervention services for STT Bacău facilities	36	15,924	-	Services	Law 99/2016+ GD	Open tender

No	Contract Number	Subject of the Contract	Duration	Amount		Duration	Legal Basis	Procurement Procedure
			Months	Thousands of RON	Months			
							394/2016	
40	CJ 2726/2025	Works to reinforce the 20 kV network in order to supply electricity to UM 01969 Câmpia Turzii	18	3,839	-	Works	Law 99/2016+ GD 394/2016	Open tender
41	C 2303/2025	Financial audit services for the period 2025-2027	36	3,527	-	Services	Law 99/2016+ GD 394/2016	Open tender
42	C 2285/2025	Subsequent contract no. 2 to framework agreement C 351/28.05.2024 "Voluntary health insurance services for National Power Grid Company Transelectrica SA staff"	12	-	622	Services	Law 99/2016+ GD 394/2016	Re-offer
43	C 2589/2025	MTPL and CASCO insurance services for motor vehicles owned by National Power Grid Company Transelectrica SA	12	1,621	-	Services	Law 99/2016+ GD 394/2016	Simplified procedure
44	SB 26/2025	Repair and maintenance services for fire detection, signalling, location and automatic extinguishing systems installed in STT Sibiu facilities	36	1,321	-	Services	Law 99/2016+ GD 394/2016	Open tender
45	C 2452/2025	Installations for regulating active power flows in order to limit grid congestion (design)	3	1,434	-	Services	Law 99/2016+ GD 394/2016	Open tender
46	C 2283/2025	Maintenance and technical support services for the PSS ODMS and PSS E programmes	36	1,046	-	Services	Law 99/2016+ GD 394/2016	Negotiation without prior invitation to competitive bidding procedure
47	CR 2381/2025	Repair and maintenance services for fire detection and extinguishing systems installed at STT Craiova facilities	39	1,038	-	Services	Law 99/2016+ GD 394/2016	Open tender
48	BA 48/2025	RC connections 220 kV OHL from Gutinaş station - AT1, AT2, TA7, TA8 Borzesti (Design)	7	764	-	Services	Law 99/2016+ GD 394/2016	Open tender
49	CR 2527/2025	Cleaning services at STT Craiova headquarters and 5 electrical stations	24	681	-	Services	Law 99/2016+ GD 394/2016	Simplified procedure
50	C 2514/2025	Professional liability insurance services for members of the supervisory board and Board of Directors of National Power Grid Company Transelectrica SA (including chairpersons)	12	612	-	Services	Law 99/2016+ GD 394/2016	Simplified procedure
51	CT 37/2025	Modernisation of the control and protection system at the 400 kV Cernavoda station (Design)	12	557	-	Services	Law 99/2016+ GD 394/2016	Open tender

Annex 4 - Transelectrica Subsidiaries

- Electricity Transmission Network Maintenance Services Company “SMART” SA – J40/ 8613/ 2001 – Bucharest, 33 General Gheorghe Magheru Boulevard, Sector 1, postal code 010325, www.smart-sa.ro;
- Telecommunications and Information Technology Services Company in Electrical Transport Networks “TELETRANS” SA – J40/ 12511/ 2002 – Bucharest, 16-18 Hristo Botev Boulevard, Sector 3, postal code 030236, www.teletrans.ro;
- Electricity and Natural Gas Market Operator “OPCOM” SA – J40/ 7542/ 2000 – Bucharest, 16-18 Hristo Botev Boulevard, Sector 3, postal code 030236, www.opcom.ro;

Annex 5 - Significant Transactions

All contracts concluded with related parties, with a value exceeding 50,000 EUR, have been reported via Current Reports, in accordance with the legal provisions. At the time of preparing this report, there are no contracts concluded with related parties with a value exceeding 50,000 EUR.

Annex 6 - Disputes

As at 31 December 2025, the Company was involved in the following disputes, with a value exceeding EUR 500,000 (2,549 at the NBR exchange rate):

Nr. crt	Nr. Dosar	Instanta	Partile si calitatea acestora	Obiectul dosarului	Valoare RON	Stadiul dosarului
1.	44380/3/2024	Bucharest Court	R: OPCOM P: Transelectrica	Claims and conclusion of supplementary agreement	RON 2,914,065.21 for services relating to the calculation of receivables and payment obligations arising from transactions carried out by PRE and PPE + statutory interest	Hearing date: 11 March 2026
2.	9089/101/2013	Mehedinti County Court	RAAN – debtor in bankruptcy Transelectrica SA – Creditor	Insolvency/reorganisation/ bankruptcy proceedings	Application for inclusion in the list of creditors with the sum of RON 89,360,986.06.	Claims entered in the schedule of claims: RON 2,162,138.86 + RON 16,951,117.14 On 19 September 2013, the Mehedinți Tribunal ordered the opening of the general insolvency proceedings against RAAN. On 9 March 2015, the Mehedinți Tribunal confirmed the reorganisation plan of the debtor Regia Autonomă Pentru Activități Nucleare, proposed by the judicial administrator Tudor & Asociații SPRL and approved by the General Meeting of Creditors, according to the minutes of 28 February 2014. On 14 June 2016, the opening of the bankruptcy proceedings against RAAN was ordered. Date for continuation of the proceedings: 25 March 2026
3.	29322/3/2014	Bucharest Court	SC ENNET GRUP SRL – insolvent debtor National Power Grid Company Transelectrica SA – Creditor	Insolvency proceedings	Application for inclusion in the list of creditors with the sum of RON 3,277,527.03	Date for continuation of the proceedings: 23 March 2026
4.	1867/90/2010	Valcea County Court	SC Total Electric Oltenia SA	Insolvency proceedings – joint-stock companies – at the debtor's request	RON 14,085,415.27	The amount was entered in the schedule of claims. Summary of the ruling: For the continuation of the proceedings with a view to realising the assets in the debtor's estate. Date: 4 March 2026
5.	36755/3/2018	Bucharest Court CAB	R: Conaid Company SRL P: Transelectrica	Claims and finding of unjustified refusal to conclude an addendum to the RET C154/2012 connection contract	RON 17,216,093.43 , damages suffered, and EUR 100,000, estimated unrealised profit	Dismisses the application for an increase in the expert's fee, filed by expert Chirilă Adelaida Adriana, as unfounded. Upholds the defence of limitation of the substantive right of action, raised in the statement of defence. Dismisses the claim as time-barred. Subject to appeal within 30 days from service. The appeal shall be lodged with the Bucharest Tribunal, 6th Civil Division. Rendered by making the ruling available to the parties through the court registry, today, 3 January 2024. Document: Judgment 4/2024, 3 January 2024 Conaid lodged an appeal.

						Allows the appeal. Sets aside the appealed civil judgment and remits the case to the first-instance court for examination of the merits. Subject to appeal on points of law within 30 days from service; the appeal on points of law shall be lodged with the Bucharest Court of Appeal, 6th Civil Division. Rendered today, 27 March 2025, in open court. Document: Judgment 529/2025, 27 March 2025 TEL lodged an appeal on points of law. Hearing date: 27 March 2025
6.	8207/62/2011	Brasov Court	CET SA Brasov – insolvent debtor Transelectrica SA – Creditor	Insolvency proceedings	Listed in the list of creditors with the sum of RON 4,303,741.44.	Summary of the ruling: For the collection of the auction price of the assets adjudicated to the Braşov Municipality, under the conditions approved by the creditors, for the continuation of the steps for realising the assets remaining in the debtor's estate, for the continuation of the steps for resolving the company's environmental issues, and for the resolution of the disputes in which CET Braşov S.A. is a party, a review date is set for 2 April 2026.
7.	909/3/2022 909/3/2022/a65 (appeal against final distribution list)	Bucharest Court	Romelectro SA – debtor in insolvency Transelectrica SA – Creditor	Insolvency proceedings	Application for inclusion in the list of creditors with the sum of RON 432,176,033.45.	Application for registration in the schedule of claims in the amount of RON 432,176,033.45. Claim in the amount of RON 222,107,951.26 + EUR 28,919,142.68 – claim rejected. The accepted claim is RON 67,028,218.66, claim entered subject to a condition, of which RON 50,852,888.78 – representing guarantees for the advance granted and GBE, RON 15,225,030.97 + EUR 192,127.07, reciprocal claim relating to the reciprocal claims in the pending cases. Amount of RON 10,796.51 – accepted claim. Date for continuation of the proceedings: 21 April 2026 Deadline for objection to the final schedule of claims: 7 May 2025 Upholds the objection regarding the late filing of the main objection for the specific grounds of objection provided for by Article 111(2) of Law No. 85/2014, namely for grounds relating to an objection to the updated schedule, raised ex officio by the court at the hearing on 6 May 2025. Dismisses the main application filed by the objecting party National Power Grid Company "TRANSELECTRICA" S.A., against respondent ROMELECTRO S.A., through the special administrator, and respondent judicial administrator EURO INSOL S.P.R.L., having as subject matter "objection against the final schedule of claims, published in the Insolvency Proceedings Bulletin No. 4063/26.02.2025", grounded on the specific grounds of objection provided by Article 111(1) and (2) of Law No. 85/2014, namely on grounds specific to an objection to the updated schedule of claims, as late-filed. Dismisses the remainder of the main application, having as subject matter "objection against the final schedule of claims, published in the Insolvency Proceedings Bulletin No. 4063/26.02.2025", as provided for by Article 113 of Law No. 85/2014, as unfounded. Dismisses the objection regarding the late filing of the connected objections for the specific grounds of objection provided for by Article 111(2) of Law No. 85/2014, namely for grounds relating to objections to the updated schedule, raised ex officio by the court at the hearing on 6 May 2025, as unfounded. Dismisses the connected applications filed by the objecting party

						National Power Grid Company "TRANSELECTRICA" S.A., against respondent ROMELECTRO S.A., through the special administrator, and respondent judicial administrator EURO INSOL S.P.R.L., having as subject matter "objection against the final updated schedule of claims of debtor Romelectro S.A., published in the Insolvency Proceedings Bulletin No. 6121/21.03.2025", "objection against the final updated schedule of claims of debtor Romelectro S.A., published in the Insolvency Proceedings Bulletin No. 6434/26.03.2025", as well as the objection filed pursuant to the procedural route prescribed by Article 113, in conjunction with Article 112(1) of Law No. 85/2014, against the measure ordered by the judicial administrator regarding the entry of Transelectrica's claim in the final updated schedule of claims, as unfounded. Dismisses the applications of the objecting party in the main file and in the connected file, seeking to order the debtor to pay legal costs consisting of the court stamp duty, as unfounded. Subject to appeal within 7 days from service of the judgment by publication in the Insolvency Proceedings Bulletin; the appeal shall be lodged with the Bucharest Tribunal, 7th Civil Division. Rendered by making the ruling available to the parties through the court registry, today, 11 June 2025. Document: 3350/2025, 11 June 2025
8.	909/3/2022/a59	Bucharest Court CAB	Romelectro SA – debtor in insolvency Transelectrica SA – Creditor	insolvency proceedings	Objection to claims in the preliminary schedule (National Electricity Transmission Company Transelectrica SA) RON 10,195,849.56.	Dismisses the objection against the measure inserted in the activity report published in the Insolvency Proceedings Bulletin No. 8546/08.05.2024, filed by objecting party National Power Grid Company "TRANSELECTRICA" S.A., against respondent EURO INSOL S.P.R.L., in its capacity as judicial administrator of debtor ROMELECTRO S.A., and against the creditors' committee composed of: THE GENERAL BOARD OF DIRECTORS FOR THE ADMINISTRATION OF LARGE TAXPAYERS, THE EXPORT-IMPORT BANK OF ROMANIA EXIMBANK S.A., and CEC BANK S.A., as unfounded. Dismisses the objecting party's request for legal costs representing the court stamp duty, as unfounded. Subject to appeal within 7 days from service of the judgment by publication in the Insolvency Proceedings Bulletin; the appeal shall be lodged with the Bucharest Tribunal, 7th Civil Division. Rendered today, 30 October 2024, by making the ruling available to the parties through the court registry. Document: Judgment 5224/2024, 30 October 2024 Time limit for appeal: 3 March 2026
9.	909/3/2022/a65 (appeal against final list) 909/3/2022/a68 – joined case	Bucharest Tribunal CAB	Romelectro SA – insolvent debtor Transelectrica SA – Creditor	insolvency proceedings	Application for inclusion in the list of creditors with the sum of RON 432,176,033.45.	Appeal. Appeal hearing date: 12 May 2026
10.	3694/3/2016	Bucharest Court CAB	Claimant: RAAN Defendant:	Claims	RON 15,698,721.88	Summary of the ruling: Dismisses the statement of claim as unfounded. Subject to appeal within 30 days from service. The appeal shall be lodged with the Bucharest Tribunal, 6th Civil Division. Rendered in open court today,

		ICCJ	Transelectrica			11 June 2020. Document: Judgment 630/2020, 11 June 2020 CFiltru deadline: 27 March 2025 Allows the application for stay of proceedings. Pursuant to Article 413(1)(1) of the Code of Civil Procedure, stays the appeal proceedings until the final resolution of Case No. 26024/3/2015 and Case No. 28458/3/2017. Subject to appeal on points of law throughout the duration of the stay. The appeal on points of law shall be lodged with the Bucharest Court of Appeal, 6th Civil Division. Rendered in open court, today, 8 November 2021. Document: Order – Stay of Proceedings, 8 November 2021 Summary of the ruling: Dismisses the application for reinstatement of the case on the docket as unfounded. Document: Order – Stay of Proceedings, 9 May 2022 Hearing date: 3 June 2024 Ruling of the Bucharest Court of Appeal: Allows the appeal. Changes the appealed judgment in its entirety, as follows: Allows the statement of claim. Orders the defendant to pay the claimant the amount of RON 12,727,101.99, representing bonus consideration and adjustment of the overcompensation for which invoices series SRTF No. 1500031 of 24.04.2015, series SRTF No. 1500033 of 22.05.2015, series SRTF No. 1500036 of 22.06.2015, series SRTF No. 1521311 of 23.07.2015, series SRTF No. 1500041 of 17.08.2015, series SRTF No. 1500045 of 23.09.2015, series SRTF No. 1521339 of 26.10.2015, and series SRTF No. 1521282 of 08.04.2015 were issued, as well as the amount of RON 2,917,619.81, representing late-payment penalties related to the principal debt, for which invoices series SRTF No. 1500059 of 31.12.2015 and series SRTF No. 1500060 of 31.12.2015 were issued. Subject to appeal on points of law within 30 days from service. The appeal on points of law shall be lodged with the Bucharest Court of Appeal – 6th Civil Division. Rendered today, 3 June 2024, and made available to the parties through the court registry. Document: Judgment 898/2024, 3 June 2024 Transelectrica lodged an appeal on points of law, which was dismissed as unfounded
11.	1396/90/2016	Valcea County Court	Transelectrica – creditor CET Govora – debtor		RON 28,200,440.31	National Power Grid Company Transelectrica S.A. was entered in the preliminary schedule with a claim in a total amount of RON 28,200,440.31, according to the application filed by our company. We note that the claim in the amount of RON 21,962,243.71, representing principal debt and penalties related to invoice No. 8116/08.04.2016, is entered subject to the suspensive condition of a final court judgment in favour of ANRE in Case No. 2428/2/2014 pending before the Bucharest Court of Appeal, having as subject matter the annulment of ANRE Decision No. 738/28.03.2014. The application was finally dismissed on 16 May 2022. The creditors' meeting held on 28 June 2018 for the purpose of voting on the reorganisation plan of CET Govora S.A. voted in favour of its approval,

						followed by its confirmation by the Vâlcea Tribunal. National Power Grid Company Transelectrica S.A. voted "against" the approval of the reorganisation plan proposed by the judicial administrator, on the grounds that: - In the event of approval of the reorganisation plan proposed by judicial administrator Euro Insol SPRL, the unsecured claims will be reduced to zero and will not be paid according to the payment schedule; therefore Transelectrica S.A. and the other unsecured creditors will receive no sum of money. - Also, according to the plan, if debtor CET Govora S.A. enters bankruptcy proceedings, Transelectrica S.A. and the other unsecured creditors will receive no sum of money. Date for continuation of the proceedings: 05.09.2024 By Civil Judgment No. 1247/22.07.2020 rendered in Case No. 35346/3/2019, served on 28 June 2021, the Bucharest Tribunal dismissed CET Govora S.A.'s action as unfounded, finding that in the present case there had occurred, by operation of law, a set-off of the amount of RON 3,368,965.82, pursuant to Article 17(5) of ANRE Order No. 116/2013, against part of National Power Grid Company Transelectrica S.A.'s claim, considering that on the date of the opening of the insolvency proceedings (9 May 2016) the conditions provided by law in the matter of legal set-off (Article 1617 Civil Code) were fulfilled. Date of continuation of proceedings: 23 April 2026
12.	1196/93/2016	Ilfov County Court	R: Transelectrica P: UGM Energy Trading	Claims	RON 3,422,293.07	Hearing date: 16 October 2016 Pursuant to Article 75(1) of Law No. 85 of 2014 on insolvency, the proceedings are hereby suspended by operation of law.
13.	1705/93/2016	Ilfov County Court	UGM Energy Trading SRL – insolvent debtor	Claims	RON 3,515,687.51	29 June 2016 – opening of the general insolvency proceedings, The claim in the amount of RON 3,515,687.51 was admitted, representing the value of the invoices issued by our company following the provision of services in favour of debtor UGM Energy Trading S.R.L., calculated up to 29 June 2016, the date of the opening of the general insolvency proceedings; claims in the amount of RON 200 and RON 41,331.59 claimed by our company as court stamp duties were rejected. We filed, within the statutory time limit, an objection to the schedule. Summary of the ruling: Dismisses the objection as unfounded. Subject to appeal within 7 days from service. The appeal shall be lodged with the Ilfov Tribunal. Rendered in open court on 23 February 2017. Document: Judgment 511/2017, 23 February 2017 On 3 August 2017, the Tribunal ordered the opening of the bankruptcy proceedings. Date for continuation of the proceedings: 4 June 2026
14.	4452/3/2017	Bucharest Court	C: Transelectrica and others D: Arelco Power SRL	Bankruptcy proceedings	RON 20,996,030.49	Claim admitted: RON 20,041,519.94, with the note that the amount of RON 954,510.55 was extinguished by set-off. Initially, the amount requested and admitted was RON 21,025,161.

						Date for continuation of the proceedings: 27 March 2026
15.	1372/3/2017		C: Transelectrica D: Transenergo Com	Insolvency proceedings	RON 6,850,000.98	The claim requested was admitted, but with the following observations: from the total amount there shall be deducted the amount of RON 1,983.36 (set off); RON 69,808.42, of which RON 48,642.11 is a claim settled by TEL through enforcement of SGB, and the amount of RON 21,166.31, claim considered current, representing the value of invoices issued after the date of the opening of the insolvency proceedings. Summary of the ruling: Pursuant to Article 139 of Law No. 85/2014, confirms the reorganisation plan of debtor S.C. TRANENERGO COM S.A., proposed by the special administrator. Subject to appeal within 7 days from service of the judgment by publication in the Insolvency Proceedings Bulletin; the appeal shall be lodged with the Bucharest Tribunal – 7th Civil Division. Rendered in open court today, 3 February 2021. Document: Interlocutory Judgment 469/2021, 3 February 2021 Dismisses the objection regarding lack of active legal standing as unfounded. Dismisses the objection regarding lack of interest as unfounded. Dismisses the application for conversion into bankruptcy as unfounded. Subject to appeal within 7 days from service of the judgment by publication in the Insolvency Proceedings Bulletin; the appeal shall be lodged with the Bucharest Tribunal – 7th Civil Division. Rendered in open court, today, 9 July 2025. Document: Interlocutory Judgment 3960/2025, 9 July 2025 Date for continuation of the proceedings under the reorganisation plan: 10 June 2026
16.	345/40/2017	Botoşani County Court	R: Transelectrica P: Elsaco Energy SRL	Claims	RON 9,198,673.80	Pursuant to Article 75 of Law No. 85/2014 in conjunction with Article 412 NCPC, stays the proceedings. Subject to appeal on points of law throughout the duration of the stay. Rendered in open court, today, 26 September 2017. Document: Order – Stay of Proceedings, 26 September 2017 Pursuant to Article 75 of Law No. 85/2014, finds the action terminated. Subject to appeal. Rendered by making the ruling available to the parties through the court registry. Document: Judgment 26/2024, 3 June 2024
17.	4478/118/2024	TCT	R: PET Communication P: Transelectrica	The defendant's lack of entitlement to charge penalties	RON 3,093,205.83	Hearing date: 7 November 2024 A power engineering expert examination is being carried out. Hearing date: 8 April 2026
18.	2494/115/2018**	Caras Severin County Court Timisoara Court of Appeal	R: Municipality of Resita P: Transelectrica		Claims RON 17,038,126.88, representing rent for the years 2015, 2016, 2018, 2019, 2020, 2021, 2022 and 2023, plus statutory penalty interest	Dismisses the defence of limitation of the right of action concerning the claims consisting of rent for the year 2015, and the objection regarding the late filing of the amendments to the action, objections raised by defendant National Electricity Transmission Company "Transelectrica" S.A. Characterises the objection of res judicata as a defence on the merits relating to the positive effect of res judicata. Dismisses the statement of claim filed by defendant Municipality of Reşiţa against defendant National Electricity Transmission Company "Transelectrica" S.A. Subject to appeal within 30 days from service. Rendered in open court on 27 February 2025.

						Document: Judgment 150/2025, 27 February 2025 Allows the application for supplementation of the operative part of Civil Judgment No. 150/27.02.2025, rendered by the Caraş-Severin Tribunal in Case No. 2494/115/2018, filed by defendant National Electricity Transmission Company "Transelectrica" S.A. Orders supplementation of the operative part with the following provision: Orders the claimant to pay the defendant the amount of RON 2,500 in legal costs consisting of expert's fee. Subject to appeal within 30 days from service. Rendered in open court on 29 May 2025. Document: 595/2025, 29 May 2025 Municipality of Reşiţa lodged an appeal. Hearing date: 21 April 2026
19.	22567/3/2019	Bucharest Court CAB ICCJ	R Transelectrica P: OPCOM		Claims – common law action – contribution made by National Power Grid Company Transelectrica SA to the share capital of OPCOM SA, issued pursuant to Loan Agreement No. 7181RO/2003, commitment to finance the "Electricity Market Project" investment project. RON 4,517,460 + RON 1,293,778.27	Upholds the defence of limitation. Dismisses the action as time-barred. Subject to appeal within 30 days from service, to be lodged with the Bucharest Tribunal, 6th Civil Division. Rendered by making the ruling available to the parties through the court registry, today, 3 December 2021. Document: Judgment 3021/2021, 3 December 2021. TEL lodged an appeal, Dismisses the appeal as unfounded. Orders the appellant to pay to the respondent the amount of RON 11,325.21 as legal costs. Subject to appeal on points of law within 30 days from service. Rendered today, 12 October 2022, by making the ruling available to the parties through the court registry. Document: Judgment 1532/2022, 12 October 2022 Transelectrica lodged an appeal on points of law on 13 December 2022. Hearing date: 19 September 2023 Judgment 1640/2023: Allows the principal appeal on points of law filed by claimant-appellant Compania Naţională de Transport al Energiei Electrice "TRANSELECTRICA" S.A. and the incidental appeal on points of law filed by defendant-appellant Operatorul Pieţei de Energie Electrică şi Gaze Naturale "OPCOM" S.A. against Civil Decision No. 1532 of 12 October 2022, rendered by the Bucharest Court of Appeal – 5th Civil Division, which it quashes and remits the case for a new trial before the same court. Final. Bucharest Court of Appeal hearing date: 4 February 2025 Dismisses the appeal as unfounded. Orders the claimant-appellant to pay to the defendant-respondent the amount of RON 28,777.79 as legal costs. Subject to appeal on points of law within 30 days from service, which shall be lodged with the Bucharest Court of Appeal, 5th Civil Division. Rendered today, 18 February 2025, by making the ruling available to the parties through the court registry. Document: Judgment 235/2025, 18 February 2025 TEL lodged an appeal, which was dismissed as unfounded.
20.	25896/3/2020	Bucharest Court CAB	R: Electromontaj P: Transelectrica		Claims – Government Emergency Ordinance 114/2018 payment of the sum of RON	Ruling of the Bucharest Tribunal: Dismisses the statement of claim as unfounded. Subject to appeal within 10 days from service. The appeal shall be lodged with the Bucharest Tribunal, 6th Civil Division. Rendered today, 18

		ICCJ – transferred to Craiova Court of Appeal			9,493,221.76 (initially, the statement of claim sought the sum of RON 2,500,000) representing the additional costs incurred by Electromontaj as a result of the extension of the duration of Works Contract No. C 229/29.10.2015, for reasons beyond the Contractor's control, for the works carried out up to June 2020. b) payment of the sum of RON 27,540,369.99 (the initial estimated amount being RON 7,500,000, representing additional costs generated by the extension of the duration of Works Contract No. C 229/29.10.2015, for reasons beyond the Contractor's control, for the works to be carried out from July 2020 until the completion of the works. c) the conclusion of an Addendum to Contract No. C 229/29.10.2015, the purpose of which is to update the Contract price to reflect the additional costs arising from the extension of the duration of Works Contract No. C 229/29.10.2015 d) payment of the legal costs incurred in connection with the present dispute	January 2024, by making the ruling available to the parties through the court registry. Document: Judgment 53/2024, 18 January 2024 Electromontaj lodged an appeal on 11 June 2024. Hearing date: 8 November 2024 The Bucharest Court of Appeal dismissed the appeal as unfounded. The High Court of Cassation and Justice ordered the transfer of the trial of the case to the Craiova Court of Appeal and the quashing of the Bucharest Court of Appeal's decision. Hearing date: 18 November 2025 Ruling of the Craiova Court of Appeal: Finds admissible the referral to the High Court of Cassation and Justice for the purpose of delivering a preliminary ruling on the following question of law: "Whether, in the interpretation of Article 240(2) and (3) of Law No. 99/2016 on sectoral procurement and Article 158(7) of the Methodological Rules for the application of the provisions relating to the award of the sectoral contract/framework agreement under Law No. 99/2016 on sectoral procurement, approved by Government Decision No. 394/2016, the contracting authority has an obligation or merely a possibility to amend/adjust the public procurement contract/the price of the public procurement contract without organising a new award procedure in the event that the duration of supply/provision/performance provided in the contract is extended, and such extension is not attributable in any respect to the fault of the contracting entity or the contractor." Orders transmission of the present order, to which the following documents are attached, certified as true copies of the originals: the statement of claim, the statement of defence, the civil judgment, the appeal, the statement of defence filed on appeal, and the request for referral to the High Court of Cassation and Justice for the purpose of delivering a preliminary ruling. Pursuant to Article 520(2) NCPD, stays the trial of the case concerning the appeal filed by claimant-appellant ELECTROMONTAJ S.A. against Civil Judgment No. 53/18.01.2024, rendered by the Bucharest Tribunal, 6th Civil Division, in Case No. 25896/3/2020, against defendant-respondent COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA, until the delivery of the preliminary ruling by the High Court of Cassation and Justice. No remedy. Rendered by making the ruling available to the parties through the court registry, today, 2 December 2025. Document: Hearing Order, 2 December 2025.
21.	37352/3/2021	Bucharest Tribunal Galati Court Galati Court of Appeal	R: Transelectrica P: Next Energy Partners	Claims	RON 8,395,132.23 + statutory interest	The court grants the claim in part. The defendant, Next Energy Partners S.R.L., is ordered to pay the claimant, Compania Națională de Transport al Energiei Electrice Transelectrica S.A.: - the amount of RON 3,557,200.134 as compensatory sum, as well as statutory default interest calculated from 28 October 2021 until full payment of the compensatory sum, as well as the amount of RON 1,228,640.11 as damages, as well as statutory default

		High Court of Cassation and Justice				interest calculated from 28 October 2021 until full payment of the damages. Orders defendant Next Energy Partners S.R.L. to pay claimant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. the amount of RON 53,247 as legal costs. Subject to appeal within 30 days from service; the appeal shall be lodged with the Galați Tribunal. Rendered today, 5 December 2023, the ruling to be made available to the parties through the court registry. Document: Judgment 251/2023 05.12.2023. The parties have lodged an appeal. Ruling of the Galați Court of Appeal: Dismisses as unfounded the appeal filed by claimant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. Allows the appeal filed by defendant Next Energy Partners S.R.L., changes the appealed judgment in its entirety and, upon retrial, dismisses the statement of claim as unfounded. Orders respondent Compania Națională de Transport al Energiei Electrice Transelectrica S.A. to pay appellant Next Energy Partners S.R.L. the amount of RON 141,147.56, representing legal costs in the first instance and on appeal. Subject to appeal on points of law within 30 days from service. The appeal on points of law shall be lodged with the Galați Court of Appeal. Rendered by making the ruling available to the parties through the court registry, today, 2 October 2024. Document: Judgment 242/2024, 2 October 2024. TEL has lodged an appeal. Dismisses as unfounded the appeal on points of law filed by claimant-appellant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. against the order of 25 September 2024, rendered by the Galați Court of Appeal – 2nd Civil Division. Annuls the appeal on points of law filed by claimant-appellant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. against Civil Decision No. 242/2024 of 2 October 2024, rendered by the Galați Court of Appeal – 2nd Civil Division. Orders claimant-appellant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. to pay to defendant-respondent NEXT ENERGY PARTNERS S.R.L. legal costs in the amount of RON 14,784.68. Final. Settlement document number: 478/2025 Date of the settlement document: 05.03.2025
22.	15561/3/2022	Bucharest Court CAB	R: SMART SA P: Transelectrica	Enforcement of an administrative contract – claims	. the sum of RON 4,467,108, representing the amount of tax liabilities relating to increased revenue following the increase in the tax base resulting from the adjustment of 's revenue for the years 2014, 2015 and 2016 +	Summary of the ruling: Allows the statement of claim. Orders the defendant to pay to the claimant the amount of RON 4,467,108.18, as well as statutory default interest related to the amount of RON 3,193,869 from 21 December 2021 until the date of effective payment. Orders the defendant to pay to the claimant legal costs consisting of the amount of RON 51,378.78 as stamp duty and the amount of RON 3,000 as expert's fee. Subject to appeal within 30 days from service. The appeal shall be lodged with the Bucharest

					legal costs.	Tribunal – 6th Civil Division. Rendered in open court, by making the ruling available to the party through the court registry, today, 20 March 2025. Document: Judgment 768/2025, 20 March 2025 TEL lodged an appeal. Hearing date: 8 May 2026
23.	2082/3/2020	Bucharest Court	D:SC ENOL GRUP SA C: Transelectrica	L 85/2014 Insolvency proceedings Claim	RON 2,514,312	Pursuant to Article 139 of Law No. 85/2014 on insolvency proceedings, confirms the plan for the reorganisation of the debtor's activity, proposed by the special administrator. Document: Interlocutory Judgment 311/2024, 9 February 2024 Hearing date: 6 March 2026
24.	6580/117/2024	Cluj Court	R: Electrogrup Cluj P: Transelectrica	Performance of procurement contract	"1. Order Transelectrica to enter into an addendum to Works Contract No. C5 of 19 May 2021, the purpose of which is to extend the contract term by the number of days of delay arising from the performance of the contract for which the Contractor is not at fault, provisionally estimated at 616 days; 2. Order Transelectrica to refund the sums paid as penalties pursuant to invoices No. 114 of 29 March 2024 (paid by Payment Order No. 13065/25.06.2024) and No. 296 of 25 June 2024 (paid by Payment Order No. 15424/23 July 2024) issued by the defendant, in the total amount of RON 2,164,304.25 as an undue payment, plus statutory interest due from the date of payment until the date of reimbursement, (i) primarily, as a result of the defendant being ordered to enter into an addendum to Works Contract No. C5 of 19 May 2021, the purpose of which is to extend the contractual term by the number of days of delay resulting from the performance of the contract which are not attributable to the Contractor; and (ii) in the alternative, as a result of	An accounting expert report is being prepared.

					the finding that the days of delay attributed by Transelectrica are not attributable to the Contractor; 3. Order Transelectrica to pay damages, representing the loss suffered by the claimant due to the delays, provisionally estimated at RON 595,550 Total amount claimed following amendment: RON 2,766,482.03 , principal debt	
25.	Arbitration Case ARB-5794	Vienna International Arbitration Centre (VIAC)	R: Marcu Corneliu Bogdan and Miu Andreea Mihaela P: TRANSELECTRICA	Claims	By application ARB-5794 Marcu Corneliu Bogdan (RO) and Miu Andreea Mihaela (RO) v. Transelectrica (RO) – Mr Marcu Corneliu Bogdan and Ms Miu Andreea Mihaela have sought an order requiring Transelectrica SA to pay the sum of RON 3,820,954 (EUR 767,784.03), each, totalling RON 7,641,908 (EUR 1,535,568.06), which would represent compensation for their unjustified removal from their positions as members of the Board of Directors. The sum of RON 3,820,954 comprises RON 1,910,477 (EUR 383,892.01) representing monthly allowances from the date of revocation until the end of the term of office and RON 1,910,477 (EUR 383,892.01) representing the variable component for meeting performance criteria and targets. At the same time, Mr Marcu Corneliu Bogdan and Ms Miu Andreea Mihaela requested that Transelectrica SA be ordered to pay statutory interest on the aforementioned sum until the date of actual payment, as well as to adjust the aforementioned	The request for arbitration was registered with Transelectrica S.A. under No. 31683/26.06.2024. The Arbitral Tribunal was appointed. Merits. The arbitral award was communicated.

					sum for inflation until the date of actual payment.	
26.	Arbitration File ARB-5768 7331/2/2024	Vienna International Arbitration Centre (VIAC) Court of Appeal Bucharest (action for annulment)	R: Stanciu Marius Viorel P: TRANSELECTRICA	Claims	By means of application ARB-5768 Stanciu Marius Viorel (RO) v. Transelectrica (RO) – Mr Stanciu Marius Viorel requested that Transelectrica SA be ordered to pay the total sum of RON 4,390,618.73 (equivalent to 883,833.30 EUR), comprising: - RON 714,164.26, representing the non-competition compensation, in accordance with Article 5.2.3 of the Mandate Agreement, adjusted for inflation. - RON 187,649.11, representing statutory penalty interest on the aforementioned debt, calculated up to 25 September 2023 - RON 2,794,110.57, representing compensation for termination of the contract, in accordance with clause 9.2 of the Mandate Agreement, adjusted for inflation, the total amount comprising RON 2,416,562.36, relating to the remaining gross monthly fixed remuneration until the end of the mandate, and RON 377,548.27, which would represent the variable component of remuneration for meeting performance criteria and targets - RON 694,694.79, representing the statutory penalty interest on the aforementioned debt, calculated up to 25 September 2023. At the same time, Mr Stanciu Viorel-Marius requested that Transelectrica SA be ordered to pay statutory interest on the aforementioned principal amounts, continuing until the date	On 23 October 2024, there was registered with Transelectrica S.A., under No. 51569/24.10.2024, the arbitral award rendered on 21 October 2024 following the resolution of arbitration request ARB-5768 Stanciu Marius Viorel (RO) vs. Transelectrica (RO). By the arbitral award, the Arbitral Tribunal ordered the following: “The sole arbitrator allows the claim filed by Claimant Stanciu Marius Viorel and orders as follows: (i) orders Defendant to pay to Claimant the gross amount of RON 743,352.62, representing non-compete compensation, pursuant to Clause 5.2.3 of Mandate Agreement No. C477 dated 23.11.2020, updated with inflation, and orders that the effective payment of this amount to Claimant shall be made at its net value, with the application of Clause 6.5 of Mandate Agreement No. C477 dated 23.11.2020; (ii) orders Defendant to pay to Claimant statutory default interest calculated at the NBR reference interest rate plus 8 percentage points, related to the net value of the non-compete compensation not updated with inflation, as it shall be determined pursuant to Clause 6.5 of Mandate Agreement No. C477 dated 23.11.2020, from the due date (25.06.2021) until the effective date of payment; (iii) orders Defendant to pay to Claimant the gross amount of RON 2,879,598.63 (consisting of the amount of RON 2,491,049.99, representing the fixed component, RON 76,435.56 representing the variable component for year 2020, and RON 312,113.07 representing the variable component for year 2021), representing damages for revocation of the mandate without fault pursuant to Clause 9.2.B of Mandate Agreement No. C477 dated 23.11.2020, updated with inflation, and orders that the effective payment of these amounts to Claimant shall be made at their net value, with the application of Clause 6.5 of Mandate Agreement No. C477 dated 23.11.2020; (iv) orders Defendant to pay to Claimant statutory default interest calculated at the NBR reference interest rate plus 8 percentage points, related to the net value of the damages for revocation of the mandate without fault, not updated with inflation, as they shall be determined pursuant to Clause 6.5 of Mandate Agreement No. C477 dated 23.11.2020, from the due date (25.06.2021 for the fixed component, 07.07.2021 for the variable component for year 2020, 13.05.2022 for the variable component for year 2021) until the effective date of payment; (v) orders Defendant to pay to Claimant the amount of RON 88,677.91; EUR 23,971.63 as arbitration costs; (vi) Any other claims or requests of the Parties are dismissed.” The arbitral award rendered in Case ARB-5768 was challenged by Stanciu Viorel Marius.

					of actual payment.	Before the Bucharest Court of Appeal, Case No. 7331/2/2024 was registered, having as subject matter the action for annulment filed by Stanciu Marius Viorel against the arbitral award rendered on 21 October 2024, following the resolution of arbitration request ARB-5768 Stanciu Marius Viorel (RO) vs. Transelectrica (RO), by the Arbitral Tribunal of the Vienna International Arbitration Centre, an action for annulment by which the partial setting aside of the arbitral award was requested with regard to the method of payment at the net value of the amounts established by the arbitral award. On 20 March 2025, the Bucharest Court of Appeal, by Judgment No. 26/2025, ordered the following: "Dismisses the action for annulment as unfounded. Subject to appeal on points of law within 30 days from service, which shall be lodged with the Bucharest Court of Appeal – 5th Civil Division. Rendered today, 20 March 2025, and made available to the parties through the court registry.", according to the information on the court portal. An appeal on points of law was lodged.
27.	909/3/2022/a81	TMB	R: Transelectrica P: Romelectro	Payment of compensation Art. 123(4) of Law No. 85/2014	RON 109,967,368.67, excluding VAT, representing compensation following the termination of contract no. C112/2019 - Modernisation of the 110 kV Timișoara substation and the upgrade to 400 kV of the Porțile de Fier – Anina – Reșița – Timișoara – Săcălaz – Arad line, phase II: Timișoara 400 kV substation – by the judicial administrator of Romelectro SA, namely the inclusion of the amount in the list of claims with priority status, in accordance with Article 161(4) of Law No. 85/2014, as well as the payment of legal costs.	Hearing date: 6 May 2026
28.	909/3/2022/a80	TMB	R: Transelectrica P: Romelectro	Payment of damages Art. 123(4) of Law No. 85/2014	RON 86,457,561.65, excluding VAT, representing compensation (provisionally estimated amount pending the completion of the ongoing procurement procedures), following the termination of contract No. C145/2018 – Modernisation of the 110 kV Medgidia Sud substation." - by the judicial	Hearing date: 6 May 2026

					administrator of Romelectro SA, namely the inclusion of the amount in the list of claims with priority status, in accordance with Article 161(4) of Law No. 85/2014, as well as the payment of legal costs.	
29.	909/3/2022/a90	Bucharest Court	Romelectro SA – insolvent debtor Transelectrica SA – Creditor	insolvency proceedings	Objection to claims in the preliminary schedule (National Electricity Transmission Company Transelectrica SA) RON 10,195,849.56	Upholds the objection of inadmissibility of the filing of the objection, raised ex officio by the court. Dismisses the application filed by objecting party COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE “TRANSELECTRICA” S.A., against respondent ROMELECTRO S.A., through the special administrator, and respondent judicial administrator EURO INSOL S.P.R.L., having as subject matter “objection against the final updated schedule of claims, published in the Insolvency Proceedings Bulletin No. 16662/22.07.2025”, as inadmissible. Dismisses the objecting party’s application seeking to order the debtor to pay legal costs consisting of the court stamp duty, as unfounded. Takes note of the debtor’s statement of intent, through the special administrator, to claim legal costs separately. Subject to appeal within 7 days from service of the judgment by publication in the Insolvency Proceedings Bulletin; the appeal shall be lodged with the Bucharest Tribunal, 7th Civil Division. Rendered by making the ruling available to the parties through the court registry, today, 4 February 2026. Document: Judgment 604/2026, 4 February 2026.
30.	25016/3/2025	TMB	R: Transelectrica P: Voltage Operations	Claims	RON 35,049,348.61	Dismisses the objection regarding the lack of representative capacity and proof of representative capacity of the holder of the statement of defence of the defendants, raised by the claimant, as unfounded. Dismisses the objection regarding the lack of proof of representative capacity of the holder of the statement of claim, raised by the defendants, as unfounded. Dismisses the defence of limitation of the substantive right of action, raised by the defendants, as unfounded. Remedy together with the merits. Sets a date for continuation of the trial of the case on 26 February 2026, C20-FAP, in open court, at 13:00, courtroom 221, for which date the parties shall be summoned. Rendered by making the ruling available to the parties through the court registry, today, 15 December 2025. Document: Hearing Order, 15 December 2025 Hearing date: 30 April 2026
31.	2987/3/2026	TMB	C: Transelectrica D: IBN Energy	Claims – payment order	RON 7,306,317.74	08 May 2026
32.	158/121/2026	TGL	C: Transelectrica D: Liberty Galati	Claims – payment order	RON 3,392,668.12	25 March 2025

Annex 7 – Glossary of terms

„ANRE”	National Electricity Regulatory Authority
„BAR”	Regulated asset base
„BSE”	Bucharest Stock Exchange, the operator of the regulated market on which the Shares are traded
„CCM”	Collective labor agreement concluded at the Company level
„CEE”	European Economic Community
„CEE”	Wind Power Plant
„CEF”	Photovoltaic Power Plant
„CET”	District Heating Power Plant
„CHEAP”	Pumped storage hydroelectric power plant
„CNE”	Nuclear power plant
„Companie”, „CNTEE”	Compania Națională de Transport al Energiei Electrice „Transelectrica”- SA
„CPT”	Technological Own Consumption
„CS”	Supervisory Board
„CSR”	Corporate responsibility
„d. c.”	Double circuit
„DEN”	National Energy Dispatcher
„EBIT”	Operating profit before interest and tax
„EBITDA”	Operating profit before interest, tax and depreciation
„EBT”	Operating profit before income tax
„EMS-SCADA”	Main infrastructure for dispatching (Energy Management System – Supervisory Collection And Data Acquisition)
„ENTSO-E”	European Network of Transmission System Operators for Electricity
„ENS”	Energy not delivered to consumers
„Euribor”, „Libor”, „Robor”	Interbank interest rates
„Formenerg”	Company FORMENERG SA
„Group”	The company and its subsidiaries
„HG 627/ 2000”	Government Decision no. 627/2000 on the reorganization of the National Electricity Company - S.A., published in the Official Gazette no. 357 of July 31, 2000
„HG”	Government Decision
„Icemenerg Service”	“ICEMENERG-SERVICE” Branch Company Bucharest,
„IFRS”	International Financial Reporting Standards
„ISO”	Independent System Operator
„ITO”	Independent Transport Operator
„KPI”	Key Performance Indicator
„LEA”	Overhead power lines
„Leu” or „Lei” or „RON”	The official currency of Romania
„MO”	Official Gazette of Romania
„OG”	Government Ordinance
„ONRC”	National Trade Register Office
„OPCOM”	The Romanian Electricity Market Operator OPCOM SA
„OTS”	Transmission and system operator

„OUG”	Government Emergency Ordinance
„pa”	Per annum
„PCCB”	Centralized Market for Bilateral Contracts
„PCR”	Price Coupling of Regions agreed for the future model of the European Single Electricity Market
„PE”	Balancing Market
„PCI”	Projects of Common Interest
„PZU”	Market for the Next Day
„RET”	The Electric Transport Network, an electrical network of national and strategic interest with a nominal line voltage greater than 110 kV
„SEN”	National Power System
„Smart”	SMART SA Electric Transmission Network Maintenance Services Company
„SSF”	Functional system service
„SST”	Technological system service
„TEL”	Stock market indicator for Transelectrica
„Teletrans”	The Company for Telecommunications and Information Technology Services in Electric Transport Networks TELETRANS SA
„TSR”	Total shareholder return
„UE”	European Union
„u.m.”	Unit of measurement
„USD” sau “dolari US”	The US dollar, the official currency of the United States of America
„WACC”	Weighted Average Cost of Capital



Transelectrica®

Societate Administrată în Sistem Dualist

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
C.N.T.E.E. TRANSELECTRICA S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of C.N.T.E.E. TRANSELECTRICA S.A. ("the Company"), with registered office in Olteni Street, Numbers 2-4, Bucharest, District 3, identified by unique tax registration code RO 13328043, which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.
2. The separate financial statements as at 31 December 2025 are identified as follows:

• Equity	5,965,639,591 RON
• Net profit for the financial year	359,825,194 RON
3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, its financial performance and its cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards ("MoPF 2844/2016").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Romania, including the Regulation and the Law 162/2017. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Audit approach within the audit engagement
Recognition of revenue from the electricity transportation activity The revenue generated from the electricity transportation activity constitutes the Company's core business. Recognition of revenue arising from this activity depends on the proper assessment of the contractual consideration and its recording in the relevant period, in accordance with the commercial clauses stipulated in the customer contracts. We consider revenue recognition to be a significant area of audit, as the Company's management may incorrectly account for revenue from the electricity transportation activity due to the nature of sales transactions and contractual clauses regarding the date on which control is transferred over the services provided. Moreover, revenue represents one of the Company's most important key performance indicators. The Company's disclosures regarding revenue are included in Note 20 to the separate financial statements.	The audit approach for testing revenue related to electricity transmission activities was based solely on substantive testing. Our audit procedures performed to address the risk of significant misstatement in revenue recognition included the following: • We evaluated the Company's accounting policies regarding revenue recognition. • We confirmed, for a selection of customers, the revenue for 2025 to assess the completeness of transactions carried out by the Company with those customers. • We selected a random sample of revenues, which we compared with relevant supporting documents to ensure the accuracy and classification of recorded transactions, also validating the financial period in which they were to be recorded according to the date on which control was transferred over the services provided by the Company as seller to the client as buyer. • We carried out analytical procedures that involved analyzing revenue by comparing the current period with the previous period. • We assessed whether the information presented in the explanatory notes was appropriate.

Other Information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report and the Remuneration report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements for the year ended 31 December 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other responsibilities of reporting with respect to other information – Administrators' report

With respect to the Administrators' report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of MoPF 2844/2016.

On the sole basis of the procedures performed within the audit of the separate financial statements, in our opinion:

- the information included in the Administrators' report, for the financial year for which the financial statements have been prepared is consistent, in all material respects, with these separate financial statements;
- the Administrators' report has been prepared, in all material respects, in accordance with the provisions MoPF 2844/2016.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at 31 December 2025, we are required to report if we have identified a material misstatement of this Administrators' report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with MoPF 2844/2016, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

15. The separate financial statements for the year ended December 31, 2024, were audited by another auditor, who issued an unmodified opinion on those statements on April 30, 2025.

Report on Other Legal and Regulatory Requirements – Public Interest Entities

16. We were appointed by the General Meeting of Shareholders on November 11, 2025 to audit the separate financial statements of C.N.T.E.E. TRANSELECTRICA S.A. for the financial year ended 31 December 2025. The uninterrupted total duration of our commitment is one, covering the financial year ended December 31, 2025.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

Report on the Information Regarding Income Tax

17. For the financial year preceding the financial year for which the financial statements were prepared, the Company was not required under MoPF 2844/2016, articles 60² - 60⁶, to publish a report on income tax.

Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the financial statements included in the annual financial report of C.N.T.E.E. TRANSELECTRICA S.A. ("**the Company**") as presented in the digital files which contain this audit report ("**Digital Files**").

(I) Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;
- ensuring consistency between the Digital Files and the financial statements to be submitted in accordance with MoPF 2844/2016.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor's Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited financial statements of the Company to be submitted in accordance with MoPF 2844/2016;
- evaluating if the financial statements contained in the annual report have been prepared in a valid XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the financial statements for the year ended 31 December 2025 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our opinion relating to the financial statements of the Company for the year ended 31 December 2025 is set out in the "Report on the audit of the financial statements" section above.

The engagement partner on the audit resulting in this independent auditor's report is Ioana Alina Mirea.

Alina Mirea, Audit Partner

For signature, please refer to the original Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 1504

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
23 March 2026

CNTEE Transelectrica SA
A dual-tier company



Separate financial statements
as at and for the financial year ending on
31 December 2025

Issued in accordance with
the Order of the Minister of Public Finance No 2844/2016

TABLE OF CONTENTS

Separate Statement of Financial Position as at 31 December 2025	1
Separate profit and loss account for the year ended 31 December 2025	3
Separate statement of changes in equity for the year ended 31 December 2025	5
Separate cash flow statement for the year ended 31 December 2025	7
Notes to the financial statements for the year ended 31 December 2025	9
1. BUSINESS DESCRIPTION AND GENERAL INFORMATION	9
2. THE BASIS FOR DRAWING UP	18
3. ACCOUNTING POLICIES	19
4. DETERMINING FAIR VALUE	30
5. Property, plant and equipment	31
6. LEASING	35
7. INTANGIBLE ASSETS	37
8. FINANCIAL ASSETS	39
9. INVENTORIES	40
10. TRADE AND OTHER RECEIVABLES	41
11. CASH AND CASH EQUIVALENTS	44
12. EQUITY	45
13. DEFERRED INCOME	47
14. BORROWINGS	48
15. EMPLOYEE BENEFIT OBLIGATIONS	50
16. TRADE AND OTHER PAYABLES	54
17. CORPORATE TAX	57
18. EARNINGS PER SHARE	59
19. OTHER TAXES AND SOCIAL SECURITY CONTRIBUTIONS	59
20. OPERATING INCOME	59
21. SYSTEM OPERATION AND BALANCING MARKET CHARGES	63
22. DEPRECIATION	65
23. STAFF EXPENDITURE	65
24. OTHER OPERATING EXPENDITURE	66
25. OTHER OPERATING GAINS OR LOSSES	67
26. NET FINANCIAL RESULT	67
27. TAX LEGISLATIVE FRAMEWORK	68
28. ACCRUALS AND CONTINGENCIES	68
29. AFFILIATED PARTIES	74
30. THE REMUNERATION OF THE COMPANY'S MANAGEMENT	78
31. FINANCIAL INSTRUMENTS	79
32. FEES CHARGED BY EACH STATUTORY AUDITOR OR AUDIT FIRM	86
33. ENVIRONMENTAL OBJECTIVES	87
34. SUBSEQUENT EVENTS	87

CNTEE Transelectrica SA

Separate statement of financial position as at 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Note	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	5	6,182,274,993	5,774,758,870
Non-current assets related to rights of use of leased assets - buildings	6	2,149,219	5,964,180
Intangible non-current assets	7	258,516,243	312,464,795
Financial non-current assets	8	87,883,769	85,767,355
Total non-current assets		6,530,824,224	6,178,955,200
Current assets			
Inventories	9	44,836,002	47,175,766
Trade and other receivables	10	3,349,320,606	3,778,692,640
Recoverable corporate tax	17	12,398,369	-
Cash and cash equivalents	11	733,668,904	671,557,851
Total current assets		4,140,223,881	4,497,426,257
Total assets		10,671,048,105	10,676,381,457
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		1,404,145,417	1,514,138,168
Other reserves		299,129,478	256,706,249
Retained earnings		3,332,884,440	3,114,650,000
Total equity	12	5,965,639,591	5,814,974,673
Long-term debts			
Long-term deferred income	13	768,609,014	537,371,101
Loans	14	1,470,721	7,918,172
Deferred tax liabilities	17	214,283,435	243,910,434
Long-term employee benefit obligations	15	52,270,499	88,335,459
Other long-term liabilities	16 (a)	-	5,612,979
Total long-term liabilities		1,036,633,669	883,148,145

The accompanying notes are an integral part of these separate financial statements

CNTEE Transelectrica SA

Separate statement of financial position as at 31 December 2025

(All amounts are in RON unless otherwise indicated)

	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Current liabilities			
Trade and other payables	16 (a)	3,407,175,717	3,861,508,368
Other loans and similar liabilities - Leasing of buildings - short-term	6	2,279,492	6,607,203
Other taxes and social security contributions	19	15,098,265	18,431,750
Short-term employee benefit obligations	15	11,164,560	-
Loans	14	179,352,778	24,287,300
Provisions	16 (b)	32,268,006	32,595,447
Short-term deferred income	13	21,436,027	22,211,901
Corporate tax payable	17	-	12,616,670
Total current liabilities		<u>3,668,774,845</u>	<u>3,978,258,639</u>
Total liabilities		<u>4,705,408,514</u>	<u>4,861,406,784</u>
Total equity and debt		<u>10,671,048,105</u>	<u>10,676,381,457</u>

The separate financial statements were signed by the Company's management on 18 March 2026:

BOARD OF DIRECTORS,**Chairman**

Ștefăniță MUNTEANU

Member

Cătălin-Constantin NADOLU

Member

Cosmin-Vasile NICULA

Member

Florin-Cristian TĂTARU

Economic and Financial Director

Ana-Iuliana DINU

Accounting Department Manager

Georgiana-Beatrice ȘTEFAN

The accompanying notes are an integral part of these separate financial statements

CNTEE Traselectrica SA

Separate statement of profit and loss for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Transport service income	20	2,263,254,560	2,024,456,845
Income from system services	20	573,786,482	633,276,882
Balancing market income	20	2,676,210,810	4,965,724,579
Other revenue		60,069,707	255,994,335
Expenses for operating the system	21	(640,830,711)	(715,612,506)
Balancing market expenses	21	(2,676,253,669)	(4,965,535,185)
Expenditure on system services	21	(705,984,678)	(523,611,184)
Depreciation	22	(388,800,465)	(356,463,082)
Staff expenditure	23	(412,429,673)	(373,147,353)
Repairs and maintenance		(161,168,196)	(128,676,506)
Expenditure on materials and consumables	9	(11,333,294)	(8,805,493)
Other operating expenses	24	(257,068,970)	(228,857,078)
Net adjustments for impairment of receivables	10	(6,437,582)	-
Other gains or losses	25	8,221,108	-
Operating profit		321,235,429	578,744,254
Financial income		35,419,561	27,228,783
Financial expenses		(7,516,620)	(13,777,396)
Net financial result	26	27,902,941	13,451,387
Result before corporate income tax		349,138,370	592,195,641
Corporate tax	17	10,686,824	(6,271,330)
Profit/loss for the year		359,825,194	585,924,311
Basic and diluted earnings per share (RON/share)	18	4.909	7.993

The accompanying notes are an integral part of these separate financial statements

CNTEE Tranelectrica SA

Separate statement of profit and loss for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Profit/loss for the year		359,825,194	585,924,311
Other comprehensive income			
Items that will not be reclassified to the income statement, of which:			
- actuarial (loss)/surplus related to the defined benefit plan	15	27,701,466	(1,535,364)
Other comprehensive income (AERG)		<u>27,701,466</u>	<u>(1,535,364)</u>
Total comprehensive income		<u>387,526,660</u>	<u>584,388,947</u>

The separate financial statements were signed by the Company's management on 18 March 2026:

BOARD OF DIRECTORS,**Chairman**

Ștefăniță MUNTEANU

Member

Cătălin-Constantin NADOLU

Member

Cosmin-Vasile NICULA

Member

Florin-Cristian TĂTARU

Economic and Financial Director

Ana-Iuliana DINU

Accounting Department Manager

Georgiana-Beatrice ȘTEFAN

The accompanying notes are an integral part of these separate financial statements

CNTEE Transelectrica SA

Separate statement of changes in equity for the financial year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Capital share	Share premium	Reserves legal	Reserves from revaluation	Other reserves	Retained earnings	Total
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	-	-	-	-	-	585,924,311	585,924,311
Other comprehensive income, of which:							
Recognition of actuarial loss on defined benefit plan	-	-	-	-	-	(1,535,364)	(1,535,364)
Surplus on revaluation of Property, plant and equipment	-	-	-	-	-	-	-
Deferred tax liability related to revaluation reserve	-	-	-	-	-	-	-
Transfer of revaluation reserves to retained earnings	-	-	-	(120,542,130)	-	120,542,130	-
Total other comprehensive income	-	-	-	(120,542,130)	-	119,006,766	(1,535,364)
Total comprehensive income for the period	-	-	-	(120,542,130)	-	704,931,077	584,388,947
Other items	-	-	-	-	-	-	-
Increasing the legal reserve	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(11)	(11)
Total other items	-	-	-	-	-	(11)	(11)
Contributions from and distributions to shareholders	-	-	-	-	-	-	-
Derecognition of non-current assets in the nature of public patrimony through the registration of GD no. 615, 682 and 683 of 2019 amending the inventory of assets in the public domain	-	-	-	(31,235)	-	-	(31,235)
Grants related to non-current assets belonging to the public domain	-	-	-	-	60,995,743	-	60,995,743
Dividend distribution *)	-	-	-	-	-	(20,524,880)	(20,524,880)
Total contributions from and distributions to shareholders	-	-	-	(31,235)	60,995,743	(20,524,880)	40,439,628
Balance at 31 December 2024	733,031,420	49,842,552	146,606,284	1,514,138,168	256,706,249	3,114,650,000	5,814,974,673

*) Dividends due to shareholders in the amount of 20,524,880 RON represents a gross dividend of 0.28 RON/share

The separate financial statements were signed by the Company's management on 18 March 2026:

BOARD OF DIRECTORS,**Chairman**
Ștefăniță MUNTEANU**Member**
Cătălin-Constantin NADOLU**Member**
Cosmin-Vasile NICULA**Member**
Florin-Cristian TĂTARU**Economic and Financial Director**
Ana-Iuliana DINU**Accounting Department Manager**
Georgiana-Beatrice ȘTEFAN

The accompanying notes are an integral part of these separate financial statements

CNTEE Transelectrica SA

Separate statement of changes in equity for the financial year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Capital share	Share premium	Reserves legal	Reserves from revaluation	Other reserves	Retained earnings	Total
Balance at 1 January 2025	733,031,420	49,842,552	146,606,284	1,514,138,168	256,706,249	3,114,650,000	5,814,974,673
Comprehensive income for the period							
Profit for the year	-	-	-	-	-	359,825,194	359,825,194
Other comprehensive income, of which:							
Recognition of actuarial gain on defined benefit plan	-	-	-	-	-	27,701,466	27,701,466
Surplus on revaluation of Property, plant and equipment	-	-	-	-	-	-	-
Deferred tax liability related to revaluation reserve	-	-	-	-	-	-	-
Transfer of revaluation reserves to retained earnings	-	-	-	(109,992,751)	-	109,992,751	-
Total other comprehensive income	-	-	-	(109,992,751)	-	137,694,217	27,701,466
Total comprehensive income for the period	-	-	-	(109,992,751)	-	497,519,411	387,526,660
Other items	-	-	-	-	-	-	-
Increasing the legal reserve	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-
Total other items	-	-	-	-	-	-	-
Contributions from and distributions to shareholders	-	-	-	-	-	-	-
Grants related to non-current assets belonging to the public domain	-	-	-	-	42,423,229	-	42,423,229
Dividend distribution *)	-	-	-	-	-	(279,284,971)	(279,284,971)
Total contributions from and distributions to shareholders	-	-	-	-	42,423,229	(279,284,971)	(236,861,742)
Balance at 31 December 2025	733,031,420	49,842,552	146,606,284	1,404,145,417	299,129,478	3,332,884,440	5,965,639,591

*) Dividends due to shareholders in the amount of 279,284,971 RON represents a gross dividend of 3.81 RON/share. More details are given in Note 12.

The separate financial statements were signed by the Company's management on 18 March 2026:

BOARD OF DIRECTORS,**Chairman**

Ștefăniță MUNTEANU

Member

Cătălin-Constantin NADOLU

Member

Cosmin-Vasile NICULA

Member

Florin-Cristian TĂȚARU

Economic and Financial Director

Ana-Iuliana DINU

Accounting Department Manager

Georgiana-Beatrice ȘTEFAN

The accompanying notes are an integral part of these separate financial statements

CNTEE Transelectrica SA

Separate cash flow statement for the financial year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Note	Year 2025	Year 2024
Cash flows from operating activities			
Profit for the period	18	359,825,194	585,924,311
Adjustments for:			
Income tax expense	17	(10,686,824)	6,271,330
Depreciation expenses (including additional CPT)	22	388,800,465	356,463,082
Income from the production of intangible non-current assets (including additional CPT)	7 (b)	(924,241)	(102,019,913)
Expenses related to adjustments for impairment of trade receivables		2,255,634	(3,016)
Reversal of adjustments for impairment of trade receivables		(776,748)	(2,429,183)
Losses on sundry receivables and debtors		3,898,551	3,043,161
Net income/expenses with impairment adjustments on sundry debtors		1,060,146	(13,428,381)
Net impairment adjustments on inventories		3,800,012	(1,479,602)
Net profit/loss on sale of Property, plant and equipment		538,800	2,122,218
Net expenditure on value adjustments in respect of Property, plant and equipment		(7,226,984)	9,383
Net income on provisions for risks and charges		(3,714,521)	(24,225,695)
Financial expenses related to adjustments for impairment losses on non-current assets		1,844,370	-
Interest expense, interest income and unrealised exchange rate gains		(28,596,393)	(15,405,339)
Cash flows before working capital changes		710,097,461	794,842,356
Changes in:			
Customers and similar accounts - energy and other activities		269,924,895	(1,588,011,216)
Customers - balancing		165,872,714	(73,792,225)
Customers - cogeneration		(12,957,783)	11,489,305
Inventories		(1,460,248)	5,388,669
Trade and other accounts payable - energy and other activities		(346,406,952)	1,644,295,053
Debts - balancing		(193,993,519)	94,597,586
Debts - cogeneration		34,530,544	(87,140,878)
Other taxes and social security contributions		(3,333,485)	(75,985)
Deferred income		243,780,856	42,863,543
Cash flows from operating activities		866,054,483	844,456,208
Interest paid		(1,584,698)	(2,031,567)
Income tax paid		(42,925,427)	(29,123,048)
Net cash generated from operating activities		821,544,358	813,301,593
Cash flows used in investing activities			
Purchases of tangible and intangible non-current assets		(681,529,354)	(674,300,382)
Shares held in GEKO POWER COMPANY CORRIDOR POWER COMPANY SRL	8	(3,750,000)	-
Proceeds from EC grant funding		29,104,413	42,494,343
Interest received		11,563,760	6,829,286
Dividends received		23,118,346	15,760,658
Proceeds from the sale of property, plant and equipment		3,505,191	3,331,928
Net cash used in investment activity		(617,987,644)	(605,884,167)

The accompanying notes are an integral part of these separate financial statements

CNTEE Tranelectrica SA

Separate cash flow statement for the financial year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Note	Year 2025	Year 2024
Cash flows used in financing activities			
Repayments of long-term loans	14	(24,238,570)	(23,978,287)
Building lease payments	6	(10,829,812)	(10,655,952)
Dividends paid		(278,796,407)	(20,584,244)
Net cash used in financing activities		(313.684.789)	(55,218,483)
Cash and cash equivalents at 1 January		671,557,851	519,358,908
Net increase/(decrease) in cash and cash equivalents		(110.308.075)	152,198,943
Cash and cash equivalents at the end of the period	11	561,249,776	671,557,851

The separate financial statements were signed by the Company's management on 18 March 2026:

BOARD OF DIRECTORS,**Chairman**

Ștefăniță MUNTEANU

Member

Cătălin-Constantin NADOLU

Member

Cosmin-Vasile NICULA

Member

Florin-Cristian TĂTARU

Economic and Financial Director

Ana-Iuliana DINU

Accounting Department Manager

Georgiana-Beatrice ȘTEFAN

1. BUSINESS DESCRIPTION AND GENERAL INFORMATION

The main business of CNTEE Transelectrica SA (the "Company") consists in: providing 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 licence no. 161/2000 issued by ANRE, updated by ANRE Decision no. 1793/26.08.2025 (until 22.12.2025) and from 23.12.2025, on the basis of the licence no. 2706/2025 issued by ANRE, 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. At present, the Company's executive is based at the registered office.

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

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

Company establishment

In accordance with Government Decision ("GD") no. 627 on the reorganisation of Companiei Naționale de Electricitate - SA ("Predecessor Entity"), issued on 31 July 2000 by the Romanian Government, it was divided into four newly created entities ("Successor Entities"). The sole shareholder of the Successor Entities was the Romanian State, through the Ministry of Economy ("ME"). Following this reorganisation, CNTEE Transelectrica SA was set up as a joint-stock company with the main object of activity being the transmission, dispatching of electricity, organisation and management of the electricity market.

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.

As disclosed in Note 12, the shareholders of CNTEE Transelectrica SA at 31 December 2025 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 16,839,437 shares (22.97%) and other shareholders Individuals with 4,682,141 shares (6.38%).

Company Mission

The Company's mission is to ensure the operation of the National Energy System (SEN) in conditions of maximum safety and stability, meeting quality standards, thus realising the infrastructure of the national electricity market and guaranteeing, at the same time, regulated access to the transmission grid, in conditions of transparency, non-discrimination and fairness for all market participants.

Other information related to the Company's activity

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

CNTEE Transelectrica SA's membership in ENTSO-E is an essential condition for access to the decision-making process on European strategy and legislation in the field and for the defence and support of the Company's interests in the activities/projects carried out at the level of the association and the European Commission.

ENTSO-E was created in 2009, as a non-profit association based in Brussels, by merging the associations of European TSOs organised according to synchronous interconnected regions (UCTE, ETSO, BALTSO, NORDEL, UKTSOA, ATSOI).

Since October 2004, Transelectrica has become a partner of electricity transmission companies across Europe, as a member of UCTE,

CNTEE Transelectrica SA

Notes to the separate financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

ETSO and since 2009 is a member of ENTSO-E, the Romanian power system being part of the Continental Europe Regional Group.

CNTEE Transelectrica SA is an affiliate member of the following international organisations:

ENTSO - E - European Network of Transmission System Operators for Electricity;

CIGRE - International Council of Large High Voltage Electricity Networks;

LWA - International Labour Organisation;

WEC - World Energy Council.

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

At 31 December 2025, CNTEE Transelectrica SA's credit profile remains strong, being confirmed in the investment-grade category **(Baa3)** for the fourth consecutive year.

The year started with Moody's reconfirmation on 17 January 2025 of the Baa3 rating with stable outlook, with the basic credit assessment (BCA) maintained at Ba1. This analysis emphasised the low risk profile, supported by the Company's natural monopoly position and the maintenance of balanced financial indicators.

Subsequently, on 18 March 2025, the agency aligned the outlook of Transelectrica's rating with that of Romania's sovereign rating, which became "negative", while the issuer **(Baa3) and BCA (ba1)** ratings remained unchanged. The evolution this financial year reflects the correlation between the Company's operational stability and the dynamics of the current macroeconomic context.

The upward momentum of Transelectrica's shares, supported by a prudent level of leverage, underlines the soundness of the investment profile, with investors prioritising domestic creditworthiness indicators over fluctuations in the external macroeconomic environment.

Legislative environment

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

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

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

The Company's operational activity is as follows:

- until 22.12.2025, on the basis of ANRE's licence no. 161/2000 for the transmission of electricity and the provision of system service, updated by ANRE Decision no. 1793/26.08.2025,
- as of 23.12.2025, on the basis of licence no. 2706/2025 for the provision of electricity transmission service, as well as system balancing services, and the General Conditions associated with the licence approved by ANRE Order no. 104/2014, with subsequent amendments and additions.

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

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

Final certification of Transelectrica as TSO of National Energy System, according to the ownership unbundling model

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

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

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

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

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

The activity of electricity transmission is an activity of public interest, a natural monopoly, authorised and monitored by the National Energy Regulatory Authority (ANRE).

The tariffs for transmission and system services are set and approved by ANRE on the basis of specific methodologies, which constitute the framework for calculating tariffs. (see Note 28(f)).

The methodology for setting tariffs for the electricity transmission service is based on the "revenue cap" principle, under which **the total allowable revenue** is determined on the basis of the regulated costs recognised by ANRE. The cost base includes:

- **operational costs** (controllable and uncontrollable OPEX),
- **capital costs** (investment, regulated amortisation, return on capital employed).

The model aims to ensure the efficient operation of the transmission network, maintain the financial viability of the operator and provide an adequate return on invested capital. It includes mechanisms to incentivise operational efficiency, as well as a return framework based on the **regulated Asset Base (RAB)** and the **regulated rate of return (RRR)**, determined according to the weighted average cost of capital (WACC).

The tariffication of electricity transmission services is carried out per regulatory period. Regulatory periods are multi-year tariff regulation cycles (5 years), during which a tariff calculation methodology is applied and for which a full set of parameters is pre-determined over the horizon of those periods for the actual calculation of tariffs. Setting tariff parameters on multi-year horizons provides a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

At the beginning of each regulatory period, ANRE shall set **the initial annual target revenue**, determined by adding together the recognised regulated costs and the regulated return on the regulated asset base. Both operating and capital costs are included in the regulated cost structure, but certain categories of costs are subject to efficiency requirements that limit the level recoverable through the regulated tariff (e.g. controllable operating and maintenance costs and technology own consumption costs).

The set of annual target revenues for a regulatory period is then re-profiled through a linearisation procedure in order to avoid significant variations in regulated revenues from one tariff year to the next. Linearisation contributes to stable tariffs and predictable cash flows by distributing allowed revenues evenly over the regulatory period. The income thus reprofiling is adjusted annually by the consumer price index to reflect changes in economic costs.

Within a regulatory period, tariffs are reviewed annually and remain valid for 12-month periods. Differences between the forecast and actual values of the parameters used in the tariff calculation shall be regularised by **ex-post corrections**, applied in the following tariff years or at the beginning of the following regulatory period.

For certain categories of costs, which are subject to ceilings, the exceeding of the forecast level of those costs is not compensated. Also, for certain cost components, the savings realised are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- **Operational costs:** Controllable OPEX (subject to efficiency factors), uncontrollable costs, technological own consumption (TOC), internal congestion, ENTSO-E (ITC) costs and revenues;
- **Capital costs:** planned network investment, Regulated Asset Base (RAB), Regulated Depreciation, return on capital employed ($RRR \times RAB$);
- The quantity of chargeable electricity, price of reactive energy.

Transmission tariffs are invoiced on the basis of the quantities of active energy fed into or withdrawn from the public electricity systems, excluding imports and exports. Transelectrica collects:

- **TG** - tariff for feeding energy into the grid,
- **TL** - tariff for extracting energy from the grid.

The TG does not apply to energy produced by power plants with installed capacity ≤ 5 MW and imported energy. TL does not apply to exported energy.

The year 2025 is the first year in the series of five consecutive years that make up the 5th multiannual tariff regulation period for electricity transmission (1 January 2025 - 31 December 2029).

The main coordinates of the fifth regulatory period are set by ANRE on the basis of the specific regulatory framework, namely the methodology for setting the tariff for the transmission of electricity, approved by *ANRE Order no. 68/2024* with subsequent amendments and additions.

Compared to the fourth regulatory period (1 January 2020 - 31 December 2024), the framework applicable to the fifth period (2025-2029), established by ANRE Order no. 68/2024, maintains the fundamental regulatory principles of the "capped revenue" type, the structure of regulated revenue and how it is formed, the recovery of operating costs, the recovery and remuneration of capital invested in regulated assets, the nature of the incentive elements, the method of collecting regulated revenue and efficiency mechanisms.

Main novelties introduced by ANRE Order No 68/2024

- **Specific investment incentives:**
 - ✓ +1 pp to the RRR for investments realised from own sources in excess of the minimum annual mandatory amount.
 - ✓ +0.5 pp at RRR for non-current assets related to projects co-financed by non-reimbursable European funds, put into operation in the period 2025-2029.
- **Performance mechanism (KPI):**
 - ✓ adjusting the RRR by ± 0.5 pp depending on the annual performance of the STO on smart grid development, energy efficiency and renewables integration;
 - ✓ RRR baselines are 6.94% for network assets and 4.94% for non-network assets.
- **Differentiated treatment for certain assets:**
 - ✓ for administrative buildings and facilities put into service after 1 January 2025, the RRR decreases by 2 pp.

These changes aim to increase investment discipline and better link costs, performance and tariff levels.

As of 1 April 2025, the legislative framework on electricity price caps will cease to apply, leading to the abolition of the exceptional mechanisms for intervening on wholesale market prices and, implicitly, on the costs of own consumption recognised in the tariffs. In the new context, energy costs to cover own technological consumption in the transmission network will be recognised and recovered under the standard regulatory mechanism for the fifth regulatory period, in accordance with the methodology approved by ANRE Order no. 68/2024, while maintaining the principles of prudence, efficiency and financial sustainability for the transmission and system operator.

System services (SS) are the set of technical services necessary to maintain the operational reliability of the National Electricity System, the permanent balance between production and consumption and the maintenance of electricity quality parameters. These services are purchased by the transmission system operator (TSO) from electricity generators and provided to National Energy System users.

The SS Tariff is set and approved by ANRE on the basis of the Methodology approved by ANRE Order no. 116/2022. The methodology is based on a mechanism that fully covers the TSO's justified costs of acquiring and managing system technology services, without generating additional profit for the operator.

The SS tariff includes:

- projected costs for the purchase of system services (reserves for active power-frequency regulation, reactive power-voltage regulation, defence and restoration services),
- ex-post corrections for differences between forecast and actual costs,
- adjustments for changes in the volume of chargeable electricity.

The SS tariff applies to all quantities of electricity drawn from the public electricity grids and is billed to suppliers and final consumers. The revenue from this tariff is earmarked exclusively to cover the costs of procuring and supplying the SS, and any shortfall against the recognised costs is regularised in subsequent years.

 Regulated Asset Base ("RAB")

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

In the year 2025, the regulated rate of return on assets for the electricity transmission activity, expressed in real pre-tax terms, had the following values:

- 6.94% value established in ANRE regulations and applied between 01 January 2025 - 31 December 2025.

Compared to the base RRR of 6.94% set for the fifth regulatory period, we specify that ANRE regulations in force provide for specific variations depending on the nature of the assets and the source of financing: an incentive of 0.5 percentage points above the base rate (total 7.44%) applicable to the co-financing share for investments made through non-reimbursable funds, respectively a decrease of 2 percentage points (total 4.94%) for endowment type assets, according to the methodology for calculating the Regulated Assets Base. At the beginning of 2025, the value of the BAR for the electricity transmission activity, established by ANRE on the basis of the investments made by CNTEE Transelectrica SA in the fourth regulatory period - is approx. 3,397 million RON, this value includes the revaluation of non-current assets as of 31 December 2023, accepted by ANRE in the amount of approx. 850 million RON. Realised investments are investments that have been completed, i.e. objectives put into operation and recorded as non-current assets in the Company's accounting records.

The total investment volume approved for the fifth regulatory period is approx. 2.973 million RON. Of this total volume, it was forecast that a share of approx. 1.454 million RON representing approx. 49% of the total approved investment volume will be financed from non-reimbursable European funds and from the revenues obtained by Transelectrica from the allocation of cross-border interconnection capacity. Thus, the programming of the Regulated Assets Base for the fifth regulatory period included a volume of

CNTEE Transelectrica SA

Notes to the separate financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

1,519 million RON representing approx. 51 per cent of the total approved investment volume, i.e. the part of the total approved investment volume that is not expected to be financed from the above-mentioned non-reimbursable sources.

The inclusion of Transelectrica in local and international stock market indices

Since 29 August 2006, the shares issued by Transelectrica are traded on the regulated market, administered by BVB, in category I, under the symbol TEL. Transelectrica shares are part of the BET index, which reflects the evolution of the 20 most traded companies on the Regulated Market of the BVB, excluding financial investment companies (SIFs).

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

Since 05.01.2015, the Company is included in the Premium category of the regulated market administered by the BVB.

Company revenues

The Company's main revenue-generating activities are the following services:

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

Electricity transmission service

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

The company ensures non-discriminatory and regulated access to all electricity market participants. Transport activity is carried out through eight territorial transport branches based in: Bucharest, Bacău, Cluj-Napoca, Constanța, Craiova, Pitesti, Sibiu and Timisoara. Transelectrica's electricity transmission activity consists in ensuring the technical conditions and maintaining the RET parameters at the moment of the introduction/takeover of energy into/from the RET.

System services

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

System services are purchased on the basis of a competitive procedure regulated by ANRE, from producers, at the request of CNTEE Transelectrica SA, in order to maintain the level of operational reliability of the SEN, as well as the quality of the energy transported at the parameters required by the legislation in force. CNTEE Transelectrica SA re-invoices the full value of the system services purchased from generators (with the exception of the active energy component to cover losses in the RET) to the electricity suppliers licensed by ANRE that ultimately benefit from these services.

Balancing market operator

How the balancing market works is stipulated in:

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

The Balancing Market allows balancing the production-consumption balance in real time, utilising resources offered in a competitive system. The balancing market also guarantees the full fulfilment of the contractual obligations undertaken by energy market participants.

The purpose of the balancing market is to balance electricity production and consumption and to improve the accuracy of the forecasts made for this purpose by all market participants. This is ensured by trading the excess contracted or uncontracted energy, but consumed by market participants. Transelectrica, based on the procedures and regulations approved by ANRE, must approve all participants in the balancing market, collect, verify, process all offers and carry out settlement procedures.

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

CNTEE Transelectrica SA

Notes to the separate financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

balance of production - consumption.

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

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

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

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

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

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

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

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

amounts owed by ESF (balancing service providers) for:

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

and pays

PRE for:

- the amount of collection rights for the positive imbalances produced in the contract month, determined for that month in accordance with the Information Notice for the monthly settlement of the PRE imbalances or the Monthly Regularisation Notice, issued by the ODDPRE;
- the amount of the collection rights for the provision of services corresponding to the value in the mode for the negative imbalances produced in the contract month, presented with a negative sign, in the Information Note for the monthly settlement of the imbalances PRE or in the Monthly Regularisation Note issued by the TSO in its capacity as a ODDPRE.
- additional revenue from balancing the system

FSE (balancing service providers) for:

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

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

Following the application of Regulation (EU) No 1485/2017 establishing a guideline on the operation of the electricity transmission system and Regulation (EU) No 2195/2017 establishing a guideline on the balancing of the electricity system, common settlement rules for intentional energy exchanges and common settlement rules for unintentional energy exchanges have been developed and approved by the Transmission System Operators at ENTSO - E level. We point out that the new set of common rules for the settlement of intentional and unintentional energy exchanges provides for a financial settlement between the Transmission and System Operators, thus eliminating the compensation in kind determined according to the ENTSO-E methodology by the Settlement Centres in Brauweiler (Germany) and Laufenburg (Switzerland), which CNTEE Transelectrica SA traded on the Day-Ahead Market and recorded

CNTEE Transelectrica SA

Notes to the separate financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

them separately in the Income and Expenditure Budget with the Party Responsible for Balancing Unplanned Exchanges as a result of energy trading on the Day-Ahead Market.

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

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

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

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

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

High efficiency cogeneration

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

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

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

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

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

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

Government Decision no. 1215/2009 establishes the legal framework, in accordance with EU regulations, necessary for the implementation of the bonus support scheme for the promotion of high-efficiency cogeneration, based on the demand for useful heat energy, in order to cover the difference between the cost of producing energy in high-efficiency cogeneration and its selling price. ANRE has approved the amounts of reference bonuses per megawatt hour of electricity produced and delivered to the grid from high-efficiency cogeneration plants. Beneficiaries of the scheme are producers who fulfil certain criteria set by ANRE.

In accordance with the provisions of Article 14 of the Government Decision No 1215/2009, CNTEE Transelectrica SA is designated as

CNTEE Transelectrica SA

Notes to the separate financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

the responsible for the administration of the support scheme. The main tasks of the Company as administrator of the support scheme are to collect the contribution from the suppliers of electricity consumers in a separate bank account from the basic activity and to pay the bonus to the producers of electricity and heat in high efficiency cogeneration; to conclude contracts with the suppliers for the collection of the contribution and with the producers who will be the beneficiaries of the scheme; verifying the amount of the collected contribution; issuing invoices to suppliers; returning the contribution for high efficiency cogeneration to suppliers that introduce into Romania electricity produced in high efficiency cogeneration in other EU Member States; monitoring and reporting to ANRE on the administration of the support scheme.

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

On 08.12.2016, by Government Decision no. 925, 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. The main changes concern the following aspects:

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

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

Following the issuance of GD 409/2022, ANRE updated the applicable regulatory framework by issuing:

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

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

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

Price coupling mechanism for electricity markets

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.

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

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).

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.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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.

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

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

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

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

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

CNTEE Transelectrica SA, as a TSO, transfers electricity, both physically and commercially, to neighbouring TSOs (MAVIR - Hungary and IBEX - Bulgaria) and manages the congestion revenues on the respective interconnection related to the PZU (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 and Intra-day Market (IP).

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

Thus, under the regional market price coupling mechanism, CNTEE Transelectrica SA:

- fulfils the role of default participant on the PZU and PI and acts as transfer agent;
- makes interconnection capacity available for the physical delivery of electricity traded on the PZU and PI, i.e. the transfer of energy from one bidding zone to another via interconnection lines, limited by their available transfer capacity.

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

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

Energy delivered for balancing support to neighbouring TSO in emergency situations ("breakdown aids")

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

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

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

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

2. THE BASIS FOR DRAWING UP

Statement of compliance

The separate financial statements as at 31 December 2025 ("financial statements") have been prepared in accordance with the Order of the Minister of Public Finance No. 2844/2016.

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

The separate financial statements prepared as at and for the year ended 31 December 2025 have been audited by the Company's financial auditor - Deloitte Audit SRL.

The financial year corresponds to the calendar year.

Going concern

These financial statements have been prepared on a going concern basis. In making this judgement, management takes into account current performance and access to financial resources in view of the strategic importance and position of natural monopoly of national interest held by the Company within the national energy system.

Evaluation grounds

The financial statements are stated at historical cost except for property, plant and equipment other than property, plant and equipment in progress, which are stated at revalued amount, while liabilities related to cash-settled share-based payment arrangements are stated at fair value.

Functional and presentation currency

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

Using estimates and judgements

The preparation of the financial statements in accordance with EU IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses, assumptions about fair value (see Note 4), about contingent liabilities and contingencies (see Note 28), about the recognition of non-refundable receivables (see Note 13 - Deferred income), about adjustments for impairment of receivables (see Note 10) and about the defined benefit obligation (see Note 15).

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

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

- Note 13 - Company management's judgement that there is reasonable assurance that the conditions attached to the grant funds will be met and that the funds will be received;
- Note 15 - measurement of defined benefit plan obligations;
- Note 28 - recognising and measuring provisions, commitments and contingencies; key assumptions about the probability and magnitude of an outflow of resources;

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

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

Given the fact that the majority of the Company's shares are owned by the State, the Company's management considers that the Company is a public company and therefore does not fall under IFRIC 12 "Service Concession Arrangements".

Given that there is no other international financial reporting standard specific to service concession arrangements, the Company has considered whether it will nevertheless apply IFRIC 12, based on the hierarchy set out in SIC 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which requires that the provisions of other IFRSs dealing with similar issues should be considered first.

Thus, in analysing the application of IFRIC 12, the Company considered whether the following characteristics of public-private service concession arrangements are applicable to the concession contract entered into with ME at the date at which IFRIC 12 is required to be adopted:

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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

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

- the services provided by the Company are regulated by ANRE, therefore the Grantor (Ministry of Economy) does not control and regulate the type of services that the Company has to provide;
- at the end of the contractual period, the residual interest in infrastructure is approximately zero, most of the assets belonging to the State's public domain being fully amortised;
- there are currently no similar contracts, as the company has a monopoly position for electricity transmission.

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

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

3. ACCOUNTING POLICIES

The accounting policies detailed below have been applied consistently for all periods presented in these financial statements, except as disclosed in Note 3 (ab) which discloses changes in accounting policies.

(a) Property, plant and equipment

Own assets

Property, plant and equipment, with the exception of property, plant and equipment in the course of construction, are stated at revalued amount less accumulated depreciation and accumulated impairment losses. Property, plant and equipment in the course of construction are stated at cost. The cost of self-constructed assets includes the cost of materials, direct labour costs, the initial estimate, where applicable, of dismantling and relocation costs and site restoration, and a share of indirect expenses.

Recognition

Property, plant and equipment are initially measured at cost.

Cost includes expenditure directly attributable to the acquisition of the asset. The cost of assets constructed by the entity includes:

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

Depreciation adjustments are recognised in respect of unused or used Property, plant and equipment.

Government grants obtained for investments related to the public domain are recognised in the accounting account 1026 - *Public assets*, equity account, at the same time as the Government Decision to update the public domain is passed.

The non-current assets resulting from investments in the public domain obtained from government subsidies are not depreciated, in view of their transfer to the public patrimony. They do not meet the conditions for the recognition of depreciation in accordance with the provisions of Concession Contract no. 1/2004, do not represent investments or expenses incurred by the Company.

For this purpose, the Company shall annually submit to the Ministry of Economy, in its capacity as grantor and holder of the right to manage the assets subject to the concession contract, the proposals for transfer of non-current assets to the public patrimony. According to the law, the necessity and the opportunity to promote the draft Government Decision belong to the holder of the administration right.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Subsequent expenditure

the Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of an item of property, plant and equipment if at the time the cost is incurred it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

Depreciation

Property, plant and equipment are depreciated using the straight-line method over their useful lives as follows:

	Normal duration of operation
	(years)
Buildings and special installations	40-60
Machinery and equipment	15-40
Metering and control equipment	7-12
Vehicles	5-8
Other Property, plant and equipment	3-5

Land does not depreciate. When items of property, plant and equipment have different useful lives, they are recognised as separate items (major components) of an asset. Asset amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Re-evaluation

The Company has chosen the revaluation model as its accounting policy and applies this policy to each entire class of property, plant and equipment, except for advances and property, plant and equipment in the course of construction which are measured at historical cost.

The revaluation of property, plant and equipment is performed periodically (the term periodically refers to any reporting period at which Transelectrica's management identifies indications that the value of the assets is significantly different from the market value) at fair value. For this purpose, Transelectrica's management uses the services of authorised assessors for such activity.

When revaluing a tangible asset, the accumulated depreciation at the date of revaluation is removed from the gross carrying amount of the asset and the net amount is recalculated to the revalued amount of the asset.

At the same time, when a tangible asset is revalued, the entire class to which that item belongs will be revalued.

When the carrying amount of an asset is increased as a result of a revaluation, the increase will be recognised in other comprehensive income and accumulated in equity under revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it offsets a revaluation decrease of the same asset previously recognised in profit or loss.

If the carrying amount of an asset decreases as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus relating to that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

It is Transelectrica's policy that the revaluation reserve included in equity relating to an item of property, plant and equipment is transferred directly to retained earnings as the revalued item of property, plant and equipment is depreciated and when the asset is derecognised. In this case, the amount of the surplus transferred would be the difference between the depreciation calculated on the basis of the revalued carrying amount of the asset and the amount of depreciation calculated on the basis of the asset's original cost. Transfers from revaluation surplus to retained earnings are not through profit or loss. The effects, if any, of revaluation of property, plant and equipment in the income tax computation are recognised and disclosed in accordance with IAS 12 - Income Taxes.

(b) Public assets

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

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

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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

Following the signing of the concession contract with the Ministry of Economy and Trade on behalf of the Romanian State on 29 June 2004, the nature of the relationship between the Romanian State and the Company changed and, as a result, the Company derecognised the public assets, including the public assets reserve within the equity. Concession (royalty) payments are recognised as an expense in the income statement by the Company during the year. They are accounted for in accordance with IFRS 16, Leases, which states that where lease payments are variable and are a percentage of sales proceeds, the lease liability and the rights to use the lease assets are zero.

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

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

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

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

The main terms of the concession contract are as follows:

- ✓ The subject of the concession contract is the operation of the electricity transmission network - RET and the land on which it is located;
- ✓ The Company has the right to use these assets for a period of 49 years from 1 June 2004 until 31 May 2053;
- ✓ The annual fee paid by the Company as a royalty for the use of these assets is set by the ME and represents 1/1000 of the revenues realised from the electricity transmission activity, for the quantity actually transported;
- ✓ The assets will be taken over by the ME upon termination or expiry of the contract; the contract can be unilaterally cancelled by either party;
- ✓ The company is obliged to use the assets in accordance with the terms of the concession contract and operating licence.

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

The charge payable by the Company under the concession contract and the Electricity Law no. 123/2012, as amended, for the period from 1 January to 31 December 2024 is significantly lower than the depreciation that the Company would have recorded for the assets in question if this contract had not existed. However, the Company has not recognised in the financial statements any amount relating to this possible benefit because it cannot estimate the amount paid for the use of these assets by a third party in an objectively priced transaction.

Investments made by the Company from its own financing sources in the assets subject to the concession contract are capitalised and depreciated over the remaining life of the assets. Once the amortisation of the investment has been recovered, they will be included in the inventory of goods in the public domain of the State, according to the legal provisions in force, on the basis of a normative act adopted in this respect.

(c) Intangible assets

Intangible assets acquired by the Company are stated at cost less accumulated amortisation and accumulated impairment losses on intangible assets. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible assets. The majority of the intangible assets recorded by the Company are intangible assets in work in progress and dedicated software. They are amortised on a straight-line basis over 3 years.

Asset amortisation methods and useful lives are reviewed at each reporting date and adjusted where appropriate.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

*(All amounts are in RON unless otherwise indicated)***Subsequent expenditure**

Future expenses are capitalised only if it is probable that future economic benefits associated with the future expenses will flow to the Company.

(d) Transactions in foreign currency

Transactions in foreign currency are expressed in RON by applying the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency at the year-end are expressed in LEIs at the exchange rate at that date. Realised and unrealised foreign exchange gains and losses are recognised in the profit and loss account for the financial year.

The exchange rates on 31 December 2025 and 31 December 2024 are as follows:

Currency	31 December 2025	31 December 2024
1 RON	5.0985	4.9741
1 USD	4.3417	4.7768

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

(e) Receivables

Trade receivables are initially recognised at invoiced value and subsequently measured at amortised cost using the effective interest method, less impairment adjustments.

The adjustments for impairment of trade receivables include adjustments for disputed receivables and adjustments made by applying the simplified analysis model provided for in IFRS 9 - Financial Instruments. The Company applies the simplified approach of IFRS 9 for measuring expected credit losses, which aims to reduce the expected credit losses (ECL) over the lifetime for all trade receivables. To measure expected credit losses, trade receivables are grouped based on common credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of sales for the 36 months prior to December 31, 2025, and January 1, 2025, respectively, and the historical credit losses in this business. The historical loss rates are to reflect current and future information on macroeconomic factors that affect the ability to settle.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, a debtor not committing to a repayment plan and not making contractual payments for a period of more than 180 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited to the same line item.

Adjustments for impairment of receivables – for trade receivables, a simplified approach is adopted in which impairment losses are recognized based on lifetime expected credit losses at each reporting date. If there is credit insurance or guarantees for outstanding balances, the calculation of expected credit losses is based on the insurer's probability of default for the insured portion of the outstanding balance and the remaining uncovered amount will have the counterparty's probability of default. For trade receivables, the simplified model regulated by IFRS 9, presented in Note 10, is used.

(f) Inventories

Stocks consist of:

- raw materials, materials, spare parts that do not fulfil the definition of property, plant and equipment and other consumables to be used in the course of the Company's core business;
- safety and intervention stocks intended for the rapid repair of faults occurring at RET installations in order to ensure the safe operation of the SEN. These materials are recorded as inventories at the time of purchase and expensed when consumed or capitalised as appropriate.

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

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

(g) Cash and cash equivalents

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

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

(h) Revaluation reserves

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

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

If the carrying amount of an item of property, plant and equipment is decreased as a result of a revaluation, that decrease is recognised in profit or loss. However, the write-down shall be effected by reducing revaluation reserves to the extent that there is a credit balance in the revaluation surplus for that tangible non-current asset.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings as the revalued item of property, plant and equipment is depreciated and when the asset is derecognised.

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

The Company has recorded deferred tax on the liability in respect of reserves arising on revaluation of non-current assets, including land, carried out after 1 January 2004.

Revaluation reserves on the revaluation of property, plant and equipment, including land, carried out up to 31 December 2003 and the portion of the revaluation carried out after 1 January 2004 and relating to the period up to 30 April 2009 will not be taxed on transfer to retained earnings.

The Company has not recorded deferred tax on the liability in respect of reserves arising on the revaluation of non-current assets, including land, up to 31 December 2003.

Reserves from the revaluation of property, plant and equipment are taxable in the future, in the event of a change in the use of the reserves in any form, in the event of liquidation, merger of the Company, including its use to cover accounting losses, except for the transfer, after 1 May 2009, of reserves relating to valuations performed after 1 January 2004 to retained earnings, which are taxed at the same time as the tax depreciation is deducted.

(i) Impairment of non-financial assets

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

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

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

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

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

(j) Share capital

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

(k) Dividends

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

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

(l) Trade and other payables

Trade and other payables are recorded at amortised cost and include the value of invoices issued by suppliers of products, work performed and services rendered.

(m) Interest-bearing loans

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

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

IFRS 9 'Financial Instruments' is based on the theory that financial assets should be classified and measured at fair value with changes in fair value recognised in profit or loss as they arise ('FVPL'), unless restrictive criteria for classification and measurement of the asset at amortised cost or fair value through other comprehensive income ('FVOCI') are met.

i) Recognition

The Company recognises a financial asset on the balance sheet when, and only when, it becomes part of the contractual provisions of the instrument. Financial assets and liabilities are measured at initial recognition at fair value.

ii) Classification of financial assets

The Company classifies financial assets as subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss on the basis of the criteria below:

- Transelectrica's business model for financial asset management and
- the contractual cash flow characteristics of the financial asset.

In terms of the measurement of a **financial asset** after initial recognition, IFRS 9 Financial Instruments: Recognition and Measurement classifies financial assets into the following categories:

- **Amortised cost**

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount due.

At 31 December 2025 the Company has financial assets measured at amortised cost.

- **Fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is realised through the collection of contractual cash flows and the sale of financial assets; and
- the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount due.

- **Fair value through profit and loss**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income.

iii) Evaluation

When a financial asset is initially recognised, the Company shall measure it at its fair value plus, in the case of a financial asset that is not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

iv) Identifying and assessing impairment for financial assets

The Company applies the IFRS 9 simplified expected credit loss measurement method for measuring trade receivables IFRS 9 allows entities to apply a "simplified approach" for trade receivables, contract assets and lease receivables. The simplified approach allows entities to recognise expected lifetime losses on all these assets without having to identify significant increases in credit risk.

v) Derecognition

A financial asset is derecognised when:

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

- the contractual rights to cash flows arising from financial assets have expired;
- The Company retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay them to a third party without significant delay under an intermediation arrangement; or
- The Company has transferred its rights to receive cash flows, and either (a) has transferred substantially all the risks and rewards associated with the financial asset or (b) has not transferred substantially all the risks and rewards associated with the financial asset but has transferred control of the financial asset.

The company derecognises a financial liability (or part of a financial liability) in the statement of financial position when the obligation specified in the contract is extinguished, cancelled or expires.

vi) *Offsets*

Transelectrica offsets a financial asset and a financial liability and the net amount is presented in the statement of financial position when:

- is currently legally entitled to offset recognised amounts; and
- intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Offsetting a recognised financial asset and a recognised financial liability and presenting the net amount differ from derecognising a financial asset or financial liability.

(o) **Corporate tax**

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

(i) **Current tax**

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

(ii) **Tax deferred**

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

A deferred tax liability shall be recognised for all taxable temporary differences unless the deferred liability arises from:

- initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction that:
 - is not a business combination;
 - at the time of the transaction affects neither the accounting profit nor the taxable profit (tax loss);
 - at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The Company recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, unless both conditions are met:

- ✓ The company, investor, joint venture partner or joint operator is able to control the timing of the reversal of the temporary difference; and
- ✓ the temporary difference is unlikely to reverse in the foreseeable future.

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination;
- at the time of the transaction affects neither accounting profit nor taxable profit (tax loss); and
- at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The Company recognises a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent, and only to the extent, that it is probable that:

- ✓ the temporary difference reversing in the foreseeable future; and
- ✓ taxable profit will be available for which the temporary difference can be utilised.

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

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

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Deferred tax liabilities represent amounts of income tax payable in future accounting periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income tax recoverable in future periods in respect of:

- deductible temporary differences;
- carry forward of unused tax losses; and
- carry forward of unused tax credits.

They are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

The Company determines deferred tax assets and liabilities using the liability method of the statement of financial position in accordance with IAS 12 for all temporary differences between the tax bases of assets and liabilities recognised in the IFRS financial statements and in the tax statements of Transelectrica. In addition, the tax benefit from existing loss carryforwards that are likely to be realised is also included in the calculation.

(iii) *Global minimum tax - Pillar Two*

The global minimum tax is an additional tax calculated at Group level in a jurisdiction for which an effective tax rate of less than 15 per cent ("minimum tax rate") applied to qualifying net profit is obtained. It is calculated in accordance with the provisions of Law no. 431/2023, *on ensuring a global minimum level of taxation for multinational enterprise groups and large national groups*, for which additional guidelines provided by the Organisation for Economic Co-operation and Development (OECD) have been taken into account as a source of illustration or interpretation, with the aim of ensuring consistent application of the legislation in force.

Pursuant to Article 53 of Law 431/2023, the national additional tax payable by a final parent company is reduced to zero for the first five years, starting from the first day of the financial year in which the large domestic group first falls within the scope of this law.

(iv) *Corporate tax exposure*

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

(p) *Employee benefits*

Other long-term employee benefits

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

Short-term employee benefits

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

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

(q) *Income*

Income is recognised when the Company fulfils a performance obligation by transferring a good or service rendered to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Revenue from contracts with customers is recognised when, or as, the Company transfers the goods or renders the services to the customer or as the customer obtains control of the goods or services.

Transelectrica accounts a contract with a customer only if the following conditions are met:

- the parties have approved the contract and agree to honour their obligations,
- Transelectrica may identify the rights of each party with respect to the goods and services transferred,
- Transelectrica may identify the payment terms for the goods and services transferred,
- the contract has commercial substance (i.e. changes the risk, timing and amount of the entity's future cash flows
- the entity is likely to collect the consideration to which it is entitled in exchange for the goods and services transferred to the customer. This involves assessing the customer's ability and intention to pay the consideration when it is due.

Income consists mainly of transmission service, system service and balancing market revenues calculated on the basis of the volume of energy delivered to consumers. Transmission and system service tariffs are regulated by ANRE. Income also includes the value of transactions on the balancing market as described in Note 1.

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

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

The Company and OPCOM SA are also involved in the price coupling mechanism of the regional markets under ANRE Order 82/2014 (see Note 1).

Thus, under the regional market price coupling mechanism, CNTEE Transelectrica SA:

- fulfils the role of default participant on the PZU and PI and acts as transfer agent;
- makes interconnection capacity available for the physical delivery of electricity traded on the PZU and PI, i.e. the transfer of energy from one bidding zone to another via interconnection lines, limited by their available transfer capacity.

Connection fees

IFRS 15 'Revenue from Contracts with Customers' applies to contracts with customers in which the Company collects cash (the connection fee) from a customer for the purpose of carrying out new work (connection to a place of generation or consumption) or modifying existing connection facilities.

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

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

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

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

(r) Net financing costs

Net financing costs include interest on borrowings calculated using the effective interest rate method, less borrowing costs capitalised as part of the costs of long-cycle assets, dividend income, favourable and unfavourable exchange rate differences, fees and risk commissions.

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

(s) Subsidies

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

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

(t) Provisions

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

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

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

(u) Earnings per share

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

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

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

(v) Contingencies

Contingent liabilities are not recognised in the accompanying financial statements. They are presented where resource outflows incorporating economic benefits are possible rather than likely.

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

(w) Operating segments

An operating segment is a component of an entity:

- that engages in activities from which it may earn income and incur expenses (including income and expenses from transactions with other parts of the same entity);
- whose business results are periodically reviewed by the entity's chief decision maker for the purpose of making decisions about the allocation of resources to the segment and assessing segment performance; and
- for which separate financial information is available.

The Company has operations in several locations in Romania, which are engaged in both transport and dispatching activities. The Company's management considers the operations in their totality as "one segment".

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

(x) Leasing

Transelectrica, as lessee, recognises a right-of-use asset and a corresponding lease liability for the leases, with permitted exemptions. A lease is the acquisition of a right to use an underlying asset, with the purchase price paid in instalments. The lessee recognises the right-of-use asset and the initial lease liability at the commencement date.

Exceptions to the application of IFRS 16 may be:

- leases with a lease term of 12 months or less and not containing purchase options, and
- leasing contracts where the underlying asset has a low value.

At the commencement date, the lease liability is measured at an amount equal to the present value of the lease payments over the lease term that are unpaid at that date.

The discount rate that the lessee uses is the interest rate implicit in the lease, if that rate can be easily determined. The lessee uses the marginal lending rate if the interest rate implicit in the lease cannot be easily determined.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

The right of use of the asset is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The Company applies the exemption from recognising short-term leases to its short-term and low value leases. The related lease payments are recognised as an expense on a straight-line basis over the lease term. Thus, contracts that do not qualify for recognition under IFRS 16 are recognised directly in the income statement as royalty expenses, management leases and rents.

(y) Guarantees

Guarantees given by the company in the form of deposits or other financial instruments set up to secure contractual obligations and maturing in more than 12 months are recognised as financial non-current assets.

(z) Financial non-current assets

The Company's investments in joint ventures, associated entities and subsidiaries within the scope of consolidation are presented in the balance sheet at cost, less accumulated impairment adjustments, and financial investments in entities not within the scope of consolidation are presented at fair value.

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

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

Norm/Interpretation <i>[IAS 8.31 (a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IAS 21 "Lack of convertibility" , issued by the IASB 15 August 2023, with application from 1 January 2025	The amendments contain guidance for entities to state when a currency is convertible and how to determine the exchange rate when it is not convertible	The adoption of the amendments had no material impact on the individual financial statements.

- The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) that are not yet effective for the annual financial reporting period ended 31 December 2025 and have not yet had an impact on or have not been applied in the preparation of these financial statements: [IAS 8.31 (a)]

Norm/Interpretation <i>[IAS 8.31 (a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IFRS 9 and IFRS 7 effective from 1 January 2026	Amendments to the classification and valuation of financial instruments. Contracts referring to electricity dependent on natural conditions.	The adoption of these amendments will not have a material impact on the financial statements in the future.
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 effective from 1 January 2026	Annual Improvements to IFRS Accounting Standards - Volume 11	The adoption of these amendments will not have a material impact on the financial statements in the future.

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

Norm/Interpretation <i>[IAS 8.31 (a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
IFRS 18 Presentation and Disclosures in Financial Statements issued by the IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements	The standard introduces three sets of new requirements for companies to improve their financial performance reporting and to give investors a better basis for analysing and comparing companies. The main changes in the new standard compared to IAS 1 relate to: (a) the introduction of categories (operating, investing, financing, corporate tax and discontinued operations) and sub-totals defined in the profit and loss statement;	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Norm/Interpretation <i>[IAS 8.31 (a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
	(b) introducing requirements for improved aggregation and disaggregation; (c) disclosing information on Management Performance Measures (MPC) in the notes to the financial statements. Although IFRS 18 does not affect the recognition or measurement of items in the financial statements, its impact on presentation is significant, particularly in relation to the statement of financial performance and the inclusion of performance measures defined by management in the financial statements	
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale of or Contribution of Assets between an Investor and its Associates or Joint Ventures, issued by the IASB on 11 September 2014	The amendments resolve the inconsistency between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving a joint venture, gains or losses are recognised when the assets sold or contributed are an enterprise. This change could only be applied if the entity had not developed an accounting policy to this effect	The Company anticipates that the adoption of these amendments to the existing accounting standards will not have a material impact on the Company's performance in the future
IFRS 19 Non-publicly accountable subsidiaries: disclosures issued by the IASB on 9 May 2024	The standard allows subsidiaries to provide restricted disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for qualifying subsidiaries and sets out the disclosure requirements for subsidiaries that choose to apply it	The Company anticipates that the adoption of these existing accounting standards will not have a material impact on the Company's performance in the future
IFRS 14 Deferred Deferral Accounts related to Regulated Activities issued by the IASB on 30 January 2014	This standard is intended to allow first-time adopters that currently recognise deferral accounts for regulated activities under previous GAAP to continue to do so on transition to IFRSs	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Clarifies how companies should transfer financial statements from a non-hyperinflationary to a hyperinflationary currency. These restricted amendments aim to improve the usefulness of the resulting information in a cost-effective way. Developed in response to stakeholder feedback, these amendments are expected to reduce the diversity of practices and provide a clearer basis for reporting in a hyperinflationary currency.	The Company anticipates that the adoption of these amendments to the existing accounting standards will not have a material impact on the Company's performance in the future

4. DETERMINING FAIR VALUE

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

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

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

(i) Property, plant and equipment

The fair value of items of property, plant and equipment is mainly based on the revaluation model taking into account the particularities of property, plant and equipment owned by the Company, except for assets under construction in progress, which are accounted for in accordance with the cost-based model.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

5. Property, plant and equipment

Between 1 January 2024 and 31 December 2025, property, plant and equipment evolved as follows:

	Land and land development	Buildings and special plants	Machinery and equipment	Metering and control devices	Vehicles	Other Property, plant and equipment	Property, plant and equipment in progress	Total
COST								
Balance at 1 January 2024	117,255,772	1,873,895,391	2,264,806,490	140,273,062	18,287,664	279,168,528	998,049,415	5,691,736,322
Ingoing	-	3,092,488	3,392,430	7,336,696	-	-	634,016,882	647,838,496
Increase/decrease in revaluation reserve	-	-	-	-	-	-	-	-
Transfers from property, plant and equipment in progress	523,646	428,576,529	125,235,859	97,229,751	502,799	553,808	(652,622,392)	-
Reclassifications between non-current assets accounts	-	-	-	-	-	-	2,802,160	2,802,160
Outgoing	(31,516)	(462,094)	(5,383,082)	(28,097)	(17,020)	(7,563,224)	(122,961)	(13,607,994)
Balance at 31 December 2024	117,747,902	2,305,102,314	2,388,051,697	244,811,412	18,773,443	272,159,112	982,123,104	6,328,768,984
Balance at 1 January 2025	117,747,902	2,305,102,314	2,388,051,697	244,811,412	18,773,443	272,159,112	982,123,104	6,328,768,984
Ingoing	-	-	-	-	-	-	700,967,870	700,967,870
Increase/decrease in revaluation reserve	-	-	-	-	-	-	-	-
Transfers from property, plant and equipment in progress	7,432	193,104,613	251,666,879	72,864,295	322,822	1,232,690	(519,198,731)	-
Reclassifications between non-current assets accounts	-	200,000	(200,000)	-	-	-	-	-
Outgoing	-	(4,778,306)	(3,229,504)	(7,540,335)	-	(2,315,560)	(10,086,367)	(27,950,072)
Balance at 31 December 2025	117,755,334	2,493,628,621	2,636,289,072	310,135,372	19,096,265	271,076,242	1,153,805,876	7,001,786,782
Accumulated depreciation								
Balance at 1 January 2024	138,179	-	-	-	-	264,377,197	-	264,515,376
Depreciation expense	-	85,320,727	154,017,004	39,710,589	2,206,698	4,758,873	-	286,013,891
Accumulated amortisation of outflows	-	(387,459)	(31,416)	(17,986)	-	(7,562,509)	-	(7,999,370)
Balance at 31 December 2024	138,179	84,933,268	153,985,588	39,692,603	2,206,698	261,573,561	-	542,529,897
Balance at 1 January 2025	138,179	84,933,268	153,985,588	39,692,603	2,206,698	261,573,561	-	542,529,897
Depreciation expense	-	84188.232	155,795,958	40,979,066	2189.921	3,395,196	-	286,548,373
Accumulated amortisation of outflows	-	(2,908,750)	(1,130,351)	(7,465,053)	-	(2,315,560)	-	(13,819,714)
Balance at 31 December 2025	138,179	166,212,750	308,651,195	73,206,616	4,396,619	262,653,197	-	815,258,556

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Land and land development	Buildings and special plants	Machinery and equipment	Metering and control devices	Vehicles	Other Property, plant and equipment	Property, plant and equipment in progress	Total
IMPAIRMENT ADJUSTMENTS								
Balance at 1 January 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,470,834</u>	<u>11,470,834</u>
Impairment adjustment expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,383</u>	<u>9,383</u>
Balance at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,480,217</u>	<u>11,480,217</u>
Reversal with impairment adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,226,984)</u>	<u>(7,226,984)</u>
Balance at 31 December 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,253,233</u>	<u>4,253,233</u>
BOOK VALUE								
Balance at 1 January 2024	<u>117,117,593</u>	<u>1,873,895,391</u>	<u>2,264,806,490</u>	<u>140,273,062</u>	<u>18,287,664</u>	<u>14,791,331</u>	<u>986,578,581</u>	<u>5,415,750,112</u>
Balance at 31 December 2024	<u>117,609,723</u>	<u>2,220,169,046</u>	<u>2,234,066,109</u>	<u>205,118,809</u>	<u>16,566,745</u>	<u>10,585,551</u>	<u>970,642,887</u>	<u>5,774,758,870</u>
Balance at 31 December 2025	<u>117,617,155</u>	<u>2,327,415,871</u>	<u>2,327,637,877</u>	<u>236,928,756</u>	<u>14,699,646</u>	<u>8,423,045</u>	<u>1,149,552,643</u>	<u>6,182,274,993</u>

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Total net property, plant and equipment increased as at 31 December 2025 compared to 31 December 2024 as a result of the increase in the amounts of property, plant and equipment in progress mainly represented by the completion of investment works in high-voltage substations and power lines, upgrades of electricity transformer stations, LEA relocations, grid connections, the most significant of which are presented below:

- Installation of two modern means of reactive power compensation in 400/220/110/20kV Sibiu Sud and 400/220/110/20 kV Bradu stations - 174,641,063;
- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu substation, including purchase of 400 MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400 kV and 220 kV substations, in the 400/220/110 kV Brazi Vest substation - 60,370,522;
- Upgrading of the 400/110 kV Pelicanu transformer substation - 57,608,357;
- Increasing the security of supply to consumers in the southern part of Bucharest, connected to the 400/220/110 kV Bucharest South Station - 55,207,941;
- LEA 400kV d.c. Gutinaş - Smârdan - 44,447,913;
- Refurbishment of Isaccea 400 kV substation - Phase II - 34,301,587;
- Replacement of transformer no. 4 - 250 MVA, 400/110 kV, 400/110 kV Drăgăneşti-Olt 400/110 kV substation - 22,900,310;
- Optimisation of the operation of the existing 400 kV LEA in the National Energy System, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line systems (SMART GRID type) - 18,078,463.

In 2025, the largest **transfers from Property, plant and equipment in progress to Property, plant and equipment**, amounting to **519,198,731**, are mainly represented by the commissioning of investment objectives, modernisation of electricity transformer stations, LEA relocations, connections to the electricity grid, of which we list the most significant:

- Transition to 400 kV of the Porţile de Fier - Reşiţa - Timişoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porţile de Fier - (Anina) - Resita - 176,794,711;
- Increasing the operational reliability of the Argeş - Vâlcea network area, realisation of the 400 kV Arefu substation and installation of a 400 MVA, 400/220 kV HV 400/220 kV - 82,813,670;
- Increasing the security of supply to consumers in the southern area of Bucharest, connected to the 400/220/110 KV Bucharest South 400/220/110 KV substation - 70,394,887;
- LEA 220 kV double circuit Ostrovu Mare - RET Stage I + Stage II (H.CA nr.17/2007) - 50,083,128;
- LEA 400 kV d.c. Gutinaş - Smârdan (Phase I and II funding) - 26,641,782;
- Optimisation of the operation of the existing 400 kV LEA in the National Energy System, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line systems (SMART GRID type) - 20,576,317;
- Relocation/protection of the high voltage grid 400 kV-LEA 400 kV s.c Urecheşti-Domneşti and LEA 400 kV s.c Brazi Vest-Domneşti at the intersection with the Bucharest Motorway - km 0+000, km 100+900, Lot 3, Sector 1, km 85+300, km 100+765 km-South Belt, Sector 2, km:0+00 - 15,325,943.

In the year 2025, there were disposals of property, plant and equipment in the course of construction by recognising on the Company's operating costs in the amount of **9,948,776**, as follows:

- Connection to the RET of CEE 136 MW Platoneşti, county of Ialomiţa, through the realisation of a 110 kV cell in the 400/110 kV Gura Ialomiţa 400/110 kV Gura Ialomiţa substation, in the amount of 2,889,337;
- Integrated security system at substations, phase III (H.CA no. 2/2008), in the amount of 2,781,635;
- Integrated security system at power substations, phase IV, in the amount of 4,277,804.

The balance of **property, plant and equipment in progress** at 31 December 2025, amounting to **1,152,488,078**, is represented by projects in progress for upgrades to electricity transformer stations, LEA relocations, grid connections, the most significant of which are listed below:

- LEA 400 kV d.c. Gutinaş - Smârdan - 318,644,219;
- Installation of two modern means of reactive power compensation in 400/220/110/20kV stations Sibiu Sud and Bradu - 206,997,563;
- Upgrading of the 400/110 kV Pelicanu transformer substation - 97,429,496;
- Upgrading of Isaccea 400 kV Station- Stage II - 68,864,594;

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu substation, including purchase of 400 MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400 kV and 220 kV substations, in the 400/220/110 kV Brazi Vest substation - 63,420,308;
- Upgrading of the 400/110/20 kV Smârdan substation - 49,537,421;
- 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;
- Station 400 kV Stâlpu - 44,306,411;
- Refurbishment of 110 kV Medgidia Sud substation - 28,408,304;
- Replacement of transformer no. 4 - 250 MVA, 400/110 kV, 400/110 kV Drăgănești-Olt 400/110 kV substation - 22,922,210;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis, phase II, 400 kV d.c. Reșița - Timișoara - Săcălaz - 18.900.461; Upgrade of the 220/110 kV Calafat Station - 17,848,885;
- 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 - 15,328,996;
- Power Quality Monitoring System (PQMS) - 13,347,011.

Assets belonging to the public domain of the state and concessioned to the Company, representing completed Property, plant and equipment, carried out from own financing sources, will be included in the inventory of assets belonging to the public domain of the state after the recovery of own financing sources, at the moment of approval, by Government Decision, of the inventory of assets belonging to the public domain of the state.

At 31 December 2025 and 31 December 2024, the Company has no pledged or mortgaged assets.

Fair value of property, plant and equipment

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

The last asset revaluation was performed on 31 December 2023. Thus, the Company has recorded in the accounting records the result of the revaluation report performed by Appraisal&Valuation, the valuation and consultancy division of NAI Romania, an independent appraiser authorised by the National Union of Authorised Appraisers in Romania (ANEVAR).

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

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

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

This method assumes that the maximum value of an asset to an informed buyer is the amount that is needed to buy or build a new asset of equivalent utility. When the asset is not new, the gross current cost shall be reduced by all forms of depreciation attributable to it up to the measurement date.

Information about the fair value hierarchy at 31 December 2025 and 31 December 2024:

	Level 1	Level 2	Level 3	Fair value at 31 December 2025
Land and land improvements	-	-	117,617,155	117,617,155
Buildings and special installations	-	-	2,327,415,871	2,327,415,871
Machinery and equipment	-	-	2,327,637,877	2,327,637,877
Measurement and control equipment	-	-	236,928,756	236,928,756
Vehicles	-	-	14,699,646	14,699,646
Other Property, plant and equipment	-	-	8,423,045	8,423,045
TOTAL	-	-	5,032,722,350	5,032,722,350

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Level 1	Level 2	Level 3	Fair value at 31 December 2024
Land and land improvements	-		117,609,723	117,609,723
Buildings and special installations	-	-	2,220,169,046	2,220,169,046
Machinery and equipment	-	-	2,234,066,109	2,234,066,109
Measurement and control equipment	-	-	205,118,809	205,118,809
Vehicles	-	-	16,566,745	16,566,745
Other Property, plant and equipment	-	-	10,585,551	10,585,551
TOTAL	-	-	4,804,115,983	4,804,115,983

The cost value of items of property, plant and equipment is their fair value less the amount of the revaluation reserve as at 31 December 2025 and 31 December 2024 and is shown below:

	Value at cost 31 December 2025	Value at cost 31 December 2024
Land and land improvements	18,117,909	18,110,477
Buildings and special installations	1,816,822,130	1,663,323,272
Machinery and equipment	1,711,634,784	1,486,970,033
Metering and control equipment	218,638,833	178,283,704
Vehicles	7,973,773	7,913,032
Other Property, plant and equipment	8,423,045	10,585,551
TOTAL	3,781,610,474	3,365,186,069

6. LEASING

The non-current 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, Platinum str. Olteni 2-4 Olteni, District 3 Bucharest, in accordance with IFRS 16 - Leasing contracts

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).

On 05.05.2025 Addendum No. 2 to contract C232/2020, was signed, extending under the same conditions the duration by 6 months until 01.04.2026, for an amount of 900,000 euro (excluding VAT). Thus, the total value of the contract, for an area of 9,000 square metres, 35 parking spaces and a duration of 66 months, is €9,900,000 (excluding VAT).

As at 31 December 2025, the carrying amount of the right to use the premises leased by the Company in the Platinum office building amounts to RON 2,149,219.

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.

 Amounts recognised in the Statement of Financial Position

COST	Non-current assets related to rights of use of leased assets - (buildings)
Balance at 1 January 2024	39,761,197
Ingoing, of which:	-

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Non-current assets related to rights of use of leased assets - (buildings)
Outgoing	-
Balance at 31 December 2024	39,761,197
Balance at 1 January 2025	39,761,197
Ingoing, of which:	4,567,233
Outgoing	
Balance at 31 December 2025	44,328,430
ACCUMULATED DEPRECIATION	
Balance at 1 January 2024	25,844,778
Depreciation expense	7,952,239
Accumulated amortisation of outflows	-
Balance at 31 December 2024	33,797,017
Balance at 1 January 2025	33,797,017
Depreciation expense	8,382,194
Accumulated amortisation of outflows	-
Balance at 31 December 2025	42,179,211
IMPAIRMENT ADJUSTMENTS	
Balance at 1 January 2024	-
Impairment adjustment expense	-
Balance at 31 December 2024	-
Impairment adjustment expense	-
Balance at 31 December 2025	-
BOOK VALUE	
Balance at 1 January 2024	13,916,419
Balance at 31 December 2024	5,964,180
Balance at 31 December 2025	2,149,219

Leasing debts

	Long-term debt	Short-term debt	TOTAL
Balance at 01 January 2024	6,481,491	8,641,987	15,123,478
Ingoing	-	438,425	438,425
Outgoing	6,481,491	2,473,209	8,954,700
Balance at 31 December 2024	-	6,607,203	6,607,203
Balance at 01 January 2025	-	6,607,203	6,607,203
Ingoing	-	4,816,731	4,816,731
Outgoing	-	9,144,442	9,144,442
Balance at 31 December 2025	-	2,279,492	2,279,492

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

*(All amounts are in RON unless otherwise indicated)***Amounts recognised in the Statement of Profit or Loss**

	31 December 2025	31 December 2024
Amortisation of assets representing rights of use	8,382,194	7,952,240
Interest expenses	215,515	438,677
Total	8,597,709	8,390,917

Amounts recognised in the Cash Flow Statement

	31 December 2025	31 December 2024
Total cash outflows related to leasing contracts (payments)	10,829,797	10,655,953

Rent is recognised as an expense in the current period and disclosed in Note 24.

Concession (royalty) payments are recognised as an expense in the income statement by the Company during the year and are disclosed in Note 24.

7. INTANGIBLE ASSETS

As at 31 December 2025 and 31 December 2024, the balance of intangible assets (including capitalisation of additional CPT) is as follows:

	Licences and software	Additional CPT	Intangible non-current assets in progress	Total
COST				
Balance at 1 January 2024	60,691,558	352,262,041	10,186,441	423,140,040
Entries (acquisitions)	-	102,019,913	7,333,621	109,353,534
Transfers from intangible assets in progress	2,347,472	-	(2,347,472)	-
Transfers from Property, plant and equipment in course of construction	-	-	-	-
Outgoing	(20,538)	-	(2,802,160)	(2,822,698)
Balance at 31 December 2024	63,018,492	454,281,954	12,370,430	529,670,876
Balance at 1 January 2025	63,018,492	454,281,954	12,370,430	529,670,876
Ingoing	5,460	924,241	38,997,105	39,926,806
Transfers from intangible assets in progress	36,804,856	-	(36,804,856)	-
Transfers from Property, plant and equipment in course of construction	-	-	-	-
Outgoing	(625,233)	-	-	(625,233)
Balance at 31 December 2025	99,203,575	455,206,195	14,562,679	568,972,449
ACCUMULATED DEPRECIATION				
Balance at 1 January 2024	58,880,992	82,027,060	-	140,908,052
Depreciation expense	1,840,029	74,478,538	-	76,318,567
Accumulated amortisation of outflows	(20,538)	-	-	(20,538)

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Licences and software	Additional CPT	Intangible non-current assets in progress	Total
Balance at 31 December 2024	60,700,483	156,505,598	-	217,206,081
Balance at 1 January 2025	60,700,483	156,505,598	-	217,206,081
Depreciation expense	2,880,332	90,995,026	-	93,875,358
Accumulated amortisation of outflows	(625,233)	-	-	(625,233)
Balance at 31 December 2025	62,955,582	247,500,624	-	310,456,206
IMPAIRMENT ADJUSTMENTS				
Balance at 1 January 2024	-	-	-	-
Impairment adjustment expense	-	-	-	-
Balance at 31 December 2024	-	-	-	-
Impairment adjustment expense	-	-	-	-
Balance at 31 December 2025	-	-	-	-
BOOK VALUE				
Balance at 1 January 2024	1,810,566	270,234,981	10,186,441	282,231,988
Balance at 31 December 2024	2,318,009	297,776,356	12,370,430	312,464,795
Balance at 31 December 2025	36,247,993	207,705,571	14,562,679	258,516,243

a) Intangible assets in progress

The balance of **intangible assets in progress** at 31 December 2025, amounting to **14,562,680**, as at 31 December 2025, is represented by projects in progress, the most significant of which are listed below:

- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements - 6,320,841;
- Power Quality Monitoring System (PQMS) - 3,661,315;
- MARI platform development - 3,132,426;
- PICASSO platform development - 550,146;
- CMM (Capacity Management Module) platform development - 434,343.

In 2025, there were transfers from intangible assets in progress to intangible assets totalling **36,804,856**, of which the most significant are:

- Upgrade of the Transelectrica messaging system - 12,937,108;
- 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 - 11,538,610;
- Development of dedicated software for determining reserve quantities using the probabilistic method - 5,942,862.

b) Intangible non-current 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.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

The Company has recognised revenue representing additional CPT calculated as the difference between the net CPT acquisition cost and the CPT cost recognised in the regulatory tariff up to 31 December 2025 in the amount of 455,206,194 as follows:

- 338,526,677 - for the year 2022,
- 13,735,364 - for the year 2023,
- 102,019,913 - for the year 2024;
- 924,241 - for Q I 2025.

At 31 December 2025, an accumulated depreciation of 247,500,624 (156,505,598 at 31 December 2024) is calculated in respect of these capitalisations. Thus, the carrying amount of the intangible asset resulting from the capitalisation of the additional CPT amounts to 207,705,570 (297,776,356 at 31 December 2024).

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 tariff over the next five years from the date of capitalisation in accordance with the relevant legislative provisions.

8. FINANCIAL ASSETS

The balance of financial non-current assets as at 31 December 2025, amounting to 87,883,769 (85,767,355 as at 31 December 2024), is mainly represented by:

➤ shares held by the Company - their net value and the holding percentages at 31 December 2025 and 31 December 2024:

Company investments

	31 December 2025		31 December 2024	
	Ownership (%)	Net value	Ownership (%)	Net value
Shares held in FORMENERG	-	-	100	1,948,420
Shares held on OPCOM	97.84	30,687,300	97.84	30,687,300
Shares held on SMART	100	38,528,600	100	38,528,600
Shares held in TELETRANS	100	6,978,480	100	6,874,430
Shares held on BRM	0.35	28,000	0.32	26,000
Shares held in TSC NET	6.25	2,207,160	6.25	2,207,160
Shares held in Joint Allocation Office SA	3.85	1,231,923	4	1,231,923
Shares held in GECO POWER COMPANY GREEN ENERGY CORRIDOR POWER	25	3,750,000	-	-
Total shares held in affiliated and associated entities		83,411,463		81,503,833

➤ guarantees for temporary occupation of land, calculated and retained in accordance with Article 39 para. (1), para. (2) and para. (5) of Law no. 46/2008 on the Forest Code, in order to realise the investment objectives, as follows:

- 400 kV Reșița - Pancevo (Serbia) in the amount of 4,199,505;
- LEA d.c. 220 kV Ostrovu Mare RET in the amount of 208,784.

• In March 2025, the Company participates with a 25% stake in the share capital of GECO POWER COMPANY GREEN ENERGY CORRIDOR POWER COMPANY LIMITED COMPANY COMPANY, according to the resolution of the Board of Directors no. 7516/ 05.03.2025, in the amount of 3,750,000 RON.

The founding partners of the project company are CNTEE Transelectrica SA, JSC Georgian State Electrosystem, "AZERENERJI" Open Joint Stock Company and MVM Energy Private Limited Liability Company. The company is implementing the Green Energy Corridor project, a 1,200 km-long high-voltage direct current submarine cable that will cross the Black Sea and connect Romania and Georgia, with the connection being extended to Hungary and Azerbaijan, in accordance with the agreement between the governments of Azerbaijan, Georgia, Romania and Hungary.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

- On 23 September 2025, the procedure of merger by absorption was completed between the subsidiary Societatea pentru Servicii de Telecomunicații și Tehnologia Informației în Rețelele Electrice de Transport – "TELETRANS S.A.", as the absorbing company, and "Formenerg" S.A., as the absorbed company (both companies being subsidiaries of the Company).

In accordance with the applicable legislation, as of 23 September 2025, the subsidiary Teletrans took over all the rights and obligations assumed prior to the merger by the subsidiary Formenerg.

Following the merger of the two subsidiaries, Transelectrica's holdings in Teletrans increased by 104,050, while Transelectrica's holdings in FORMENERG decreased.

9. INVENTORIES

As at 31 December 2025 and 31 December 2024, inventories (at net value) are as follows:

	31 December 2025	31 December 2024
Spare parts	26,849,277	25,771,610
Consumables and other materials	15,848,565	19,026,944
Auxiliary materials	1,212,144	1,174,915
Other inventories	926,016	1,202,297
Total	44,836,002	47,175,766

The situation of inventories expected to be realised in the next 12 months and in a period longer than 12 months

	31 December 2025	31 December 2024
Inventories to be realised in the next 12 months	14,624,032	15,558,222
Inventories to be realised in more than 12 months	30,211,970	31,617,544
Total	44,836,002	47,175,766

As at 31 December 2025 and 31 December 2024, the inventory impairment adjustments are as follows:

	31 December 2025	31 December 2024
Adjustments for depreciation of consumables	9,592,471	5,956,130
Adjustments for depreciation of other materials	5,403,423	5,249,933
Packaging impairment adjustments	121,729	121,729
Total	15,117,623	11,327,792

As at 31 December 2025 and 31 December 2024, the changes in inventory impairment adjustments are as follows:

	31 December 2025	31 December 2024
Balance at 1 January	11,327,792	12,854,432
Record inventory impairment adjustments	5,401,961	1,767,899
Reversal of inventory impairment adjustments	(1,612,130)	(3,294,539)
Balance at end of period	15,117,623	11,327,792

During the year 2025, the expenditure incurred on the consumption of materials and spare parts is as follows:

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	31 December 2025	31 December 2024
Spare parts expenditure	1,500,530	2,364,055
Expenditure on other consumables	1,466,299	1,590,492
Expenditure on other materials	1,363,127	158,994.5
Expenditure on ancillary materials	106,902	95,225
Fuel expenses	3,096,424	3,165,776
Inventory impairment gains or losses	3,800,012	-
Total	11,333,294	8,805,493

The amounts from inventory impairment gains or losses in 2024 were presented in other operating expenses, and in 2025 the Company considered reclassifying them to the materials and supplies expense line item.

10. TRADE AND OTHER RECEIVABLES

As at 31 December 2025 and 31 December 2024, trade and other receivables are as follows:

	31 December 2025	31 December 2024
Trade receivables	2,535,436,512	2,701,899,740
Other receivables	244,857,341	231,066,730
Advances to suppliers	372,299,151	769,813,328
VAT recoverable	393,058,259	271,906,743
Impairment adjustments for doubtful trade receivables	(124,567,816)	(123,088,931)
Impairment adjustments for other doubtful receivables	(71,762,841)	(72,904,970)
Total trade and other receivables	3,349,320,606	3,778,692,640

The structure of trade receivables is as follows:

	31 December 2025	31 December 2024
Customers on the electricity market, of which:	2,531,400,892	2,698,954,123
- customers - operational activity	188,410,770	1,898,742,070
- customers - balancing market	501,988,812	667,861,526
- customers - bonus support scheme to promote high efficiency cogeneration	145,308,310	132,350,527
Customers from other activities	4,035,620	2,945,617
Total trade receivables	2,535,436,512	2,701,899,740

For the year 2025, the line "Net adjustments for impairment of receivables" included in the income statement includes the following items:

- (Net) impairment adjustments current assets in the amount of 2,539,031;
- Losses (net) from sundry receivables and debtors totalling 3,898,551.

Exposure at risk for trade and other receivables and advances to suppliers:

	Gross value 31 December 2025	Expected loss ratio	Expected lifetime loss
Not yet at maturity	2,816,379,163	0.01%	330,208
1 - 30 days overdue	(921,841)	-	-
31 - 90 days overdue	2,062,060	-	-
91 - 180 days overdue	27,104,090	1.20%	324,824
181 - 270 days overdue	7,321,939	0.56%	40,790
271 - 365 days overdue	332,857	99.35%	330,694
More than a year	300,314,736	65.03%	195,304,141
Total	3,152,593,004		196,330,657

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

- CNTEE Transelectrica SA carries out its operational activity on the basis of the Operating Licence no. 161/2000 issued by ANRE, updated by the Decision of the President of ANRE no. 1793/26.08.2025, for the provision of the electricity transmission service, for the provision of the system service and for the administration of the balancing market.

As at 31 December 2025, customers outstanding from operating activities show a decrease compared to 31 December 2024 mainly driven by a decrease in the volume of transactions resulting from the coupling of energy markets in the fourth quarter of 2025 compared to the fourth quarter of 2024.

The decrease in the volume of balancing market transactions in Q4 2025 compared to Q4 2024 also led to a decrease in the balance of customers on contracts entered into for this type of activity.

The main customers in total trade receivables are represented by: Bursa Română de Mărfuri, IBEX, MAVIR, Ciga Energy SA, Hidroelectrica, Electrica Furnizare SA, OPCOM, PPC ENERGIE SA, RAAN, JAO. Their share is 72.22% 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 31 December 2025, the Company has receivables receivable from the bonus support scheme for the promotion of high efficiency cogeneration of approximately 6% of total trade receivables, up from 31 December 2024 (5%).

The customers in the bonus support scheme for the promotion of high-efficiency cogeneration are showing an increase in receivables at 31 December 2025 mainly due to the increase in the invoiced amount for the collection of the monthly contribution.

At 31 December 2025, the Company has receivables receivable amounting to 145,308,310 (132,350,526 at 31 December 2024), 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 20,429,734, 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 - 473,940 and others.

The situation of claims related to the bonus support scheme for the promotion of high-efficiency cogeneration is as follows:

	31 December 2025	31 December 2024
Overcompensation 2011 - 2013	76,702,140	76,702,140
Undue bonus for 2014	3,914,960	3,914,960
Undue bonus for 2015	563,899	563,899
Undue bonus for 2020	522,181	522,181
Unpaid cogeneration contribution	20,429,734	20,781,045
Invoices issued after the reporting date for the financial year ended	43,175,396	29,866,301
Total	145,308,310	132,350,526

As of the date of this financial report, the Company has collected all overcompensation receivables related to the overcompensation of the activity related to the support scheme for the year 2024, the amount of 8,600,911, from Contourglobal Solutions, as well as the amount of 8,400,873 of the undue bonus established by ANRE Decisions for the year 2024, from the following producers: Bepco SRL, Electro Energy Sud, Electrocentrale București, Electrocentrale Craiova, Electroulaj SA, Municipiul Iași, Soceram SA, Termoficare Oradea, Thermoenergy Group and Vest Energo.

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*

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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 its application, Transelectrica SA requested that the defendant RAAN be ordered to pay the amount of EUR 86,513,431. More details on this file are given in Note 28.

▪ 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. The company has included the amount of 22,188,224.16 related to the support scheme in the sundry debtors account, analytically separate - ANRE, with impact on the net position of the support scheme.

The amount of 22,188,224.16 represents the amount receivable from CET Govora related to the support scheme (in the amount of 25,557,190), corrected by the bonus withheld by the Company in accordance with 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

At 31 December 2025, other receivables amounting to **244,857,341** (231,066,730 at 31 December 2024) include mainly:

- sundry debtors (**103,729,594**) (135,343,557 at 31 December 2024), of which:
 - late payment penalties calculated for bad debtors, totalling 75,041,220 (of which 25,853,846 are penalties related to the support scheme). The highest late payment penalties were recorded by partners: Romelectro (24,464,461), RAAN (16,901,449), CET Govora (9,606,504), Electromontaj SA (5,864,872), OPCOM (4,625,453), Total Electric Oltenia (3,288,967), Multiservice G&G SRL (2,162,468), Petprod (1,894,232), GE Digital Service Europe (1,137,326), ISPE Proiectare și Consultanță (1,079,342). Impairment adjustments have been recognised for penalties calculated for late payment of receivables from operating activities;
 - compensation due from suppliers for non-delivery of electricity in the amount of 11,923,999: 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;

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

- 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.
- **30,984,304** (9,865,883 as at 31 December 2024) received as a subsidy, related to RET connection contracts;
- deferred expenses of **8,703,598** (14,941,772 at 31 December 2024) mainly represented by: CPT (5,747,400), insurance policies (1,729,775), office building rent and maintenance (763,215), miscellaneous services (278,783) and others;
- other social receivables amounting to **3,172,643** (2,736,907 at 31 December 2024) representing sick leave paid by the employer to employees and to be recovered from the National Health Insurance Fund, in accordance with the legislation in force.

Advances to suppliers

As at 31 December 2025, advances paid to suppliers are represented by debtors for services rendered in the amount of **372,299,151** and mainly represent amounts from transactions related to the price coupling mechanism (ICP - *Interim Coupling Project*, SIDC - *Single Intraday Coupling*, SDAC - *Single Day-ahead Coupling* and IDA - *"IntraDay Auction"*) (MAVIR - 303,224,730, IBEX - 56,214,197 and JAO - 12,857,065).

VAT recoverable

VAT to be recovered amounting to 393,058,259 as at 31 December 2025 (271,906,743 as at 31 December 2024) - amount related to the amounts to be settled for the period September 2025 - December 2025. Up to the date of this report, the Company has collected from the State the amount of 267,046,357, representing the value added tax claimed for refund in respect of the settlements for the period September to November 2025.

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

The largest impairment adjustments at 31 December 2025, calculated for trade receivables and related penalties, were recorded for: JAO (30,752,298), CET Govora (24,645,019), Romelectro (24,471,023), Arelco Power (14,513,236), Total Electric Oltenia SA (14,185,577), Romenergy Industry (13,512,997), Elsaco Energy (9,276,118), OPCOM (9,142,913), RAAN (8,516,707), 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.

For both 2024 and 2024 no material value adjustments have been recognised for specifically identified receivables. Details of the movements in the allowance for impairment of receivables can be found in note 31.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include balances of cash, demand deposits and deposits with original maturities of up to 90 days from the date of 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 31 December 2025 and 31 December 2024, cash and cash equivalents are as follows:

	31 December 2025	31 December 2024
1. Current accounts with banks and deposits with original maturities up to 90 days, of which:	733,621,554	671,481,765
a) current accounts with banks and deposits with initial maturities of up to 90 days of current activity	62,128,590	164,871,298
b) current accounts with banks and deposits with original maturities of up to 90 days with a specific purpose, of which:	671,492,964	506,610,467
- cash and deposits from high efficiency cogeneration	-	300,321,261
- cash and deposits from interconnection capacity allocation revenues used for network investment	1,885,604	3,902,857
- cash from the connection fee	297,637,619	88,098,871
- European funds	679,641	4,870,929
- other restricted accounts (energy market guarantees and dividends)	371,290,100	109,416,549
2. Cash at hand	47,350	76,086
3. Other cash equivalents	-	-
Total	733,668,904	671,557,851

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

The following information is relevant in the context of the consolidated statement of cash flows:

	31 December 2025	31 December 2024
Current accounts with banks, deposits and other cash equivalents	733,668,904	671,557,851
Overdrafts used for liquidity management purposes	(172,419,128)	-
Total	561,249,776	671,557,851

The cash is placed with financial institutions, which are considered to be associated with minimal performance risk, as follows:

Rating/Outlook	31 December 2025	31 December 2024
BBB+ / Stable	-	501,765,316
BBB+ / Negative	107,881,200	-
AA- / Stable	10,934,827	9,859,458
A- / Stable	-	1,534,493
BBB- / Positive	-	1,940,958
BBB- / Stable	1,007,642	7,169,085
BBB / Stable	-	62,769
BBB- / Negative	1,067,146	-
BB / Stable	151,909	151,772
BB+ / Stable	-	26,208
A+ / Stable	612,578,830	148,971,706
Total	733,621,554	671,481,765

All financial institutions are rated Fitch or equivalent.

12. EQUITY

Share capital

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.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

On 31 December 2025, 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 16,839,437 shares (22.97%) and other shareholders Individuals with 4,682,141 shares (6.38%).

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 31 December 2025 and 31 December 2024 is as follows:

Shareholder	31 December 2025		31 December 2024	
	Number of shares	% of capital share	Number of shares	% of share capital
The Romanian State through SGG	43,020,309	58.69%	43,020,309	58.69%
Other legal entity shareholders	16,839,437	22.97%	16,442,683	22.43%
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	4,682,141	6.38%	5,078,895	6.92%
Total	73,303,142	100.00%	73,303,142	100.00%

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

As at 31 December 2025 and 31 December 2024, the share capital is as follows:

	31 December 2025	31 December 2024
Share capital (nominal value)	733,031,420	733,031,420
Balance of share capital	733,031,420	733,031,420

Dividends

Shareholders are entitled to dividends and each share carries one voting right at Company meetings.

During 2025, in accordance with the AGOA Resolution no. 5/11.06.2025, the Company declared a gross dividend in the amount of RON 3.81/share corresponding to the profit of the previous year (2023: 0.28 RON/share). The total dividends declared from the remaining profit to be distributed for 2024 is 279,284,971 RON (dividends declared from the retained earnings in the balance as at 31.12.2023: 20,524,880 RON).

Share premium

All shares issued as part of the share capital increase that took place through the initial public offer in 2006 were subscribed and fully paid up at the issue price. The share premium amounting to 49,842,552 at both 31 December 2025 and 31 December 2024, i.e. the difference between the share issue price and the par value of the shares, has been recognised in the Company's reserves account.

Legal reserves

The legal reserves amounting to 146,606,284 as at 31 December 2025 and 31 December 2024 represent legal reserves constituted in accordance with the applicable legislation in force and cannot be distributed.

Revaluation reserves

Revaluation reserves amount to 1,404,145,417 at 31 December 2025 and 1,514,138,168 at 31 December 2024.

The last revaluation of the Property, plant and equipment classified in Group 1 - *Constructions* and Group 2 - *Technical installations, means of transport* registered in the Company's private assets was performed on 31 December 2023 by Appraisal & Valuation, the valuation and consultancy division of NAI Romania, an independent valuer authorised by the National Association of Authorised Valuers in Romania.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

It is Transelectrica's policy that the revaluation reserve included in equity relating to an item of property, plant and equipment is transferred directly to retained earnings as the revalued item of property, plant and equipment is depreciated and when the asset is derecognised. In this case, the amount of the surplus transferred would be the difference between the depreciation calculated on the basis of the revalued carrying amount of the asset and the amount of depreciation calculated on the basis of the asset's original cost. Transfers from revaluation surplus to retained earnings are not through profit or loss. The effects, if any, of revaluation of property, plant and equipment in the income tax computation are recognised and disclosed in accordance with IAS 12 - Income Taxes.

Revaluation reserves may not be distributed directly to shareholders, but only after their transfer to retained earnings.

Other reserves

At 31 December 2025, other reserves amount to 299,129,478 compared to 256,706,249 at 31 December 2024. The increase in the other reserves balance at 31 December 2025 compared to 31 December 2024 in the amount of 42,423,229 is mainly due to grants related to non-current assets belonging to the public domain received for the following investment objectives:

- Relocation/prot. 400 Kv high voltage network - 400 kV s.c Urechești-Domnești and 400 kV s.c Brazi Vest-Domnești at the intersection with Bucharest Ring Road - Km 0+000, Km 100+900, Lot 3, Sector 1, Km 85+300, Km 100+765 - South Ring Road, Sector 2, Km:0+00 - 15,325,943;
- Execution of works for relocation of high voltage electricity networks - 400 kV (220 Kv) Gutinaș -Focșani Vest joint circuit with 400 (220) kV Focșani Vest-Barboși and Buzău - Focșani Motorway - Design Execution - 5,052,777;
- Relocation of the 220 kV networks for the Bucharest Ring Motorway, Km 0+000 - Km 52+770, LOT 4 Km 47+600 - Km 52+070 - 4,764,823;
- Relocation of the 220 kV networks for Bucharest Ring Road, km 0+000-km 100+900, North Ring Road Sector, km 0+000-km 52+770, LOT 3 km 39+000-km 47+600 - 4,296,294.

Retained earnings

The retained earnings at 31 December 2025 amounts to 3,332,884,440 (31 December 2024: 3,114,650,000).

As at 31 December 2025, the Company records a positive retained result mainly due to the variation of the following items:

- recording the transfer of the revaluation reserves on the revaluation of non-current assets depreciation in the retained result in the amount of 109,992,751 (120,542,130 at 31 December 2024);
- the net profit of 359,825,194 RON realised on 31.12.2025 (585,924,311 RON on 31 December 2024) is recorded in the retained result;
- recognition of the actuarial gain in the retained result in the amount of 27,701,466 (31 December 2024, loss: 1,535,364).
- recording the distribution of the profit for the year 2024 as dividends to be allocated to shareholders in 2025 in the amount of 279,284,971 (20,524,880 at 31 December 2024).

13. DEFERRED INCOME

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

At 31 December 2025 and 31 December 2024, the statement of **deferred income** is as follows:

	31 December 2025	Of which: short-term portion at 31 December 2025	31 December 2024	Of which: short-term portion at 31 December 2024
Deferred revenue - interconnection capacity allocation	3,954,878	3,954,878	6,728,118	6,728,118
Deferred income - European funds	2,631,796	2,631,796	3,334,602	3,334,602
Deferred income - other	1,220,730	1,220,730	-	-
Funds from the connection fee	506,333,763	7,789,188	296,793,165	7,154,699
European Funds	255,364,046	5,817,355	232,179,802	2,298,734
Other subsidies	20,539,829	22,080	20,547,315	2,695,748
Total	790,045,041	21,436,027	559,583,002	22,211,901

The evolution of **short-term deferred income** from January to December 2025 is as follows:

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	31 December 2025	31 December 2024
Balance at beginning of period	22,211,901	16,137,336
Interconnection capacity advance payments	128,018,626	93,714,147
European funding	(55)	2,584,899
Receipts from other funds	1,220,730	-
Transfer from long-term income advances	1,479,442	(2,094,976)
Income from the use of interconnection capacity	(130,791,866)	(88,040,170)
Income from EU funds	(702,751)	(89,335)
Total	21,436,027	22,211,901

The evolution of **long-term deferred income** from January to December 2025 is as follows:

	31 December 2025	31 December 2024
Balance at beginning of period	537,371,101	519,083,803
Subsidised connections	259,419,349	47,520,391
Non-reimbursable funds	29,753,699	43,189,235
Transfer to short-term deferred income	(71,897,799)	(85,943,609)
Subsidies back to income	13,962,664	13,521,281
Total	768,609,014	537,371,101

14. BORROWINGS

For the year 2025, the movements on borrowings are as follows:

	Currency	Interest rate	Book value	Maturity
Balance at 1 January 2025			31,902,971	
Drawdowns - current - BCR	RON	ROBOR 1M + commission 0.088%	172,419,128	30-Mar-2026
Reimbursements, of which:			(24,238,570)	
BEI 25709	EUR	3.596%	(12,095,658)	10-Sep-2025
BEI 25710	EUR	3.856%+2.847%	(12,142,912)	11-Apr-2028
Exchange rate differences at the date of reimbursement			451,801	
Balance at 31 December 2025			180,535,330	

Long-term loans

At 31 December 2025, the amount of long-term borrowings has decreased compared to 31 December 2024 mainly due to repayments under existing loan agreements.

At 31 December 2025 and 31 December 2024, the balances of long-term borrowings from credit institutions are as follows:

Description	31 December 2025	31 December 2024
EIB 25709 (a)	-	11,974,686
EIB 25710 (b)	8,116,202	19,928,285
Total long-term loans from credit institutions, of which:	8,116,202	31,902,971
Current portion of loans long-term	(6,645,481)	(23,984,799)
Total long-term loans net of current instalments	1,470,721	7,918,172

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Situation of long-term loans at 31 December 2025:

No. it.	Name Loan	Date awarded	Value Loan (EUR)	Balance at 31 December 2025 (currency)	Balance at 31 December 2025 (RON)	Rate of interest	Loan maturity
1	BEI 25709	05.08.2010	32,500,000.00	-	-	3.596%	10.09.2025
2	BEI 25710	05.08.2010	32,500,000.00	1,591,880.29 EUR	8,116,202	3.856% and 2.847%	11.04.2028
TOTAL					8,116,202		

Long-term borrowing is detailed as follows:*a) and b) European Investment Bank (EIB) loan*

Loans EIB 25709 and EIB 25710 were granted by the EIB on 5 August 2010 to finance the modernisation and rehabilitation of the Romanian Transmission Grid. The amount of each loan is EUR 32,500,000. Loan no. 25709 is not guaranteed, while loan no. 25710 is guaranteed by BNP Paribas SA Bucharest Branch. The repayment period is 15 years, with a grace period of 2 years. Repayment is made from 2012 to 2025 for EIB loan 25709 (on 10 March and 10 September each year) and from 2013 to 2028 for EIB loan 25710 (on 11 April and 11 October each year). The interest rate is 3.596% for EIB loan 25709 and 3.856% and 2.847% for EIB loan 25710.

The amount outstanding at 31 December 2025 for the EIB loan 25709 is EUR 0 and for the EIB loan 25710 is EUR 1,591,880.29 EUR.

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

The EIB 25710 loan is guaranteed by BNP Paribas SA Bucharest Branch. The guarantee contract was concluded on 20.12.2019 for a period of 3 years, guarantee fee of 0.40% per annum calculated at 115% of the amount of the loan outstanding. Amendment No 2 was signed on 31 October 2022, which guarantees EIB loan 25710 until 11 November 2028. For this period, the guarantee fee is 0.6% per annum calculated at 115% of the amount of the outstanding loan.

As at 31 December 2025, EIB loan 25709 is fully repaid, therefore, it no longer required the calculation of the financial indicators foreseen in the loan contract.

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

	31 December 2025	31 December 2024
Between 1 and 2 years	980,481	6,483,336
Between 2 and 5 years	490,240	1,434,836
Over 5 years	-	-
Total	1,470,721	7,918,172

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

All long-term borrowings outstanding at 31.12.2025 bear fixed interest rates.

Short-term loans

Short-term loans are itemised as follows:

	31 December 2025	31 December 2024
Current portion of long-term loans	6,645,481	23,984,799
Short-term bank credit	172,419,128	-
Interest on long-term and short-term loans	288,169	302,501
Total short-term loans	179,352,778	24,287,300

- *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

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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).

On 27.03.2025, Transelectrica entered into Addendum no. 3 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 31 December 2025, the credit line is 99% utilised.

15. EMPLOYEE BENEFIT OBLIGATIONS

According to the collective labour agreement, applicable in 2025, the Company provides long-term benefits to employees, based on length of service and seniority within the Company. The benefits granted to management employees are disclosed in Note 30 - Remuneration of the Company's management.

Long-term benefits granted by the Company include the following:

- retirement bonus ranging from 1 to 5 gross basic monthly salaries depending on the number of years of service in the Company at the date of retirement;
- retirement bonuses between 1 and 5 monthly gross basic salaries depending on the number of years of seniority in the Company;
- aid in the event of retirement due to total loss of working capacity (total disability), in which case the Company pays 6 gross basic monthly salaries;
- help in the event of death from other causes, in which case the company pays the family 25,000 RON;
- death benefit in the event of death due to an accident at work or occupational disease, in which case the Company pays the family 11 gross basic monthly salaries;
- material aid granted on retirement for electricity, representing the equivalent of the share of electricity paid to an employee for 24 months, for employees with at least 10 years' continuous service in the Company.

Taking into account the provisions of GEO no. 156/2024, with subsequent amendments and additions, as from February 2025, the retirement bonus was granted at the level of a basic salary spread over a period of 5 years.

The actuarial calculations of post-employment and other long-term employee benefits have been determined by an authorised actuary on the basis of a service contract with Proficariere SRL.

Employee benefit obligations are as follows:

	31 December 2025	31 December 2024
Liabilities for jubilee bonuses	51,132,308	49,202,806
Retirement premium liabilities	10,461,024	34,232,075
Obligations in the event of total incapacity for work (disability)	166,191	171,782
Obligations in the event of death from other causes	1,370,891	1,565,100
Obligations in the event of death due to an accident at work	304,645	315,059
Electricity contribution obligations for retiring employees	-	2,848,637
TOTAL	63,435,059	88,335,459

The breakdown of short and long-term liabilities at 31 December 2025 is summarised in the table below:

	TS Obligations	TL Obligations
Liabilities for jubilee bonuses	10,257,881	40,874,427
Retirement premium liabilities	906,679	9,554,345

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	TS Obligations	TL Obligations
Obligations in the event of total incapacity for work (disability)	-	166,191
Obligations in the event of death from other causes	-	1,370,891
Obligations in the event of death due to an accident at work	-	304,645
Electricity contribution obligations for retiring employees	-	-
TOTAL	11,164,560	52,270,499

 Actuarial assumptions

The following are the main actuarial assumptions used in the calculation:

A. The discount rates have been assumed to be equal to the risk free spot no volatility adjustment published by EIOPA at the end of December 2025.

B. Inflation - At the valuation date, according to the National Institute of Statistics, the annual inflation rate in December 2025 compared to December 2024 was 9.7%.

C. Statutory retirement age - the actuary considered that the average retirement age of the Company's employees will be 63 years for both men and women.

D. Mortality - The *Mortality table of the population of Romania*, male/female, 2022, urban environment was used (Source: National Statistical Institute).

E. Labour migration - approximately 1.6% of the workforce left the Company during the reporting period. For modelling departures from the firm, the actuary used labour migration values with a weighted average of 1.5% per year. The percentages used for firm leavers tend towards zero as age increases - for older age groups the labour out-migration percentage can be assumed to fall towards zero.

F. Fees and taxes - All taxes valid as at 31 December 2025 have been included in the calculation of the pension liability. Thus, the following taxes were taken into account: labour insurance contribution (CAM): 2.25 %.

 Maturity analysis

The table below summarises the benefits and provisions, both for retirement and for retirement bonuses, according to the number of years to maturity.

Analysis of benefit payment maturities

Estimated payments according to the time to maturity	Jubilee premium benefits	Pension benefits	TOTAL
Duration up to 1 year	10,675,483	1,019,727	11,695,210
Duration 1-2 years	9,928,168	484,110	10,412,278
Duration 3-5 years	14,498,947	3,392,694	17,891,641
Duration 6-10 years	33,434,640	9,060,658	42,495,299
Duration over 10 years	182,330,380	55,424,593	237,754,972
TOTAL	250,867,618	69,381,782	320,249,400

Analysis of maturities of present obligations

Estimated provisions by length to maturity	Jubilee premium obligations	Pension liabilities	TOTAL
Duration up to 1 year	10,257,881	906,679	11,164,560
Duration 1-2 years	7,693,223	407,744	8,100,967
Duration 3-5 years	8,382,739	1,996,563	10,379,302
Duration 6-10 years	11,767,667	3,375,977	15,143,644
Duration over 10 years	13,030,798	3,774,061	16,804,859
TOTAL	51,132,308	10,461,024	61,593,332

Weighted average duration of pension obligations (years): 9.09.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated) **Sensitivity analysis**

For a full understanding of the impact of the initial data on the values of the provisions made, we will vary, one by one, the most important parameters that influence the value of the liabilities (ceteris paribus).

The results of the sensitivity analysis at 31 December 2025 compared to 31 December 2024 are shown in the table below:

	1% increase		1% decrease	
	2025	2024	2025	2024
Discount rate	59,292,310	82,132,645	68,172,596	95,400,528
Wage growth rate	68,660,713	95,420,593	58,785,137	82,003,446
Rate of leavers	63,058,178	87,105,347	63,866,443	89,695,227
	Increase by 1 year		Decrease by 1 year	
	2025	2024	2025	2024
Increasing life expectancy at birth	63,450,379	88,613,391	63,418,274	88,054,373

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	31 December 2024	Interest cost	Current service cost	Payments from the provision	Actuarial (gain)/loss for the period	31 December 2025
Obligations related to the jubilee bonuses to be granted to current employees	49,202,806	3,124,712	7,391,971	(6,338,345)	(2,248,836)	51,132,308
Retirement premium obligations of current employees	34,232,074	551,737	767,351	(563,323)	(24,526,815)	10,461,024
Total incapacity for work (disability) benefit obligations	171,782	10,498	3,851	-	(19,940)	166,191
Liabilities related to death benefits granted for death from other causes	1,565,100	95,643	(65,817)	(150,000)	(74,035)	1,370,891
Obligations relating to benefits granted in the event of death due to accidents at work	315,060	19,253	28,291	-	(57,959)	304,645
Electricity benefits to be paid to current employees on retirement	2,848,637	174,080	-	-	(3,022,717)	-
	88,335,459	3,975,923	8,125,647	(7,051,668)	(29,950,302)	63,435,059
	31 December 2023	Interest cost	Current service cost	Payments from the provision	Actuarial (gain)/loss for the period	31 December 2024
Obligations related to the jubilee bonuses to be granted to current employees	48,698,891	3,293,144	7,480,102	(4,681,864)	(5,587,467)	49,202,806
Retirement premium obligations of current employees	24,116,406	1,510,397	3,756,802	(1,368,866)	6,217,335	34,232,074
Total incapacity for work (disability) benefit obligations	-	-	-	-	171,782	171,782
Liabilities related to death benefits granted for death from other causes	-	-	487,638	(22,000)	1,099,462	1,565,100
Obligations relating to benefits granted in the event of death due to accidents at work	-	-	29,705	-	285,355	315,060
Electricity benefits to be paid to current employees on retirement	2,461,820	164,770	1,167,150	(294,000)	(651,103)	2,848,637
	75,277,117	4,968,311	12,921,397	(6,366,730)	1,535,364	88,335,459

16. TRADE AND OTHER PAYABLES

a) As at 31 December 2025 and 31 December 2024, trade and other payables are as follows:

	31 December 2025	31 December 2024
Suppliers energy market	1,676,249,633	2,253,148,039
Suppliers of non-current assets	337,815,468	158,164,085
Suppliers other activities	64,803,414	77,353,875
Amounts owed to employees	13,260,905	12,833,281
Other liabilities	1,315,046,297	1,365,622,067
Total	3,407,175,717	3,867,121,347

As at 31 December 2025 and 31 December 2024, the outstanding energy market liabilities amounting to 1,676,249,633 and 2,253,148,039, respectively, are structured as follows:

	31 December 2025	31 December 2024
Suppliers electricity market, of which:		
- suppliers - operational activity	1,078,789,737	1,496,225,168
- suppliers - balancing market	517,983,289	711,976,808
- suppliers - bonus support scheme for promoting high-efficiency cogeneration	79,476,607	44,946,063
Total	1,676,249,633	2,253,148,039

Suppliers on the electricity market are mainly represented by: MAVIR, IBEX, Hidroelectrica SA, Electrica Furnizare SA, Bursa Română de Mărfuri, Complexul energetic Oltenia SA, Electrocentrale București, OPCOM, CIGA Energy SA, Joint Allocation Office. At 31 December 2025, their share in total energy suppliers is 81.53% (86.30% at 31 December 2024).

The drop 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 influenced by changes in the price of electricity on European power exchanges.

The decrease in the "balancing market liabilities" balance was driven by a decrease in the volume of transactions recorded in the balancing market in the fourth quarter of 2025 compared to the fourth quarter of 2024.

The increase in 'support scheme liabilities' to suppliers (generators) was driven by the increase in the value of the monthly bonus for high efficiency cogeneration in December 2025 compared to December 2024.

As at 31 December 2025, there are payment obligations to suppliers (producers) in the amount of 3,368,966 to CET Govora SA (monthly cogeneration bonus and pre-compensation 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

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

CNTEE Transelectrica SA concluded with CET Govora SA an agreement for the compensation and payment by instalments of the amounts due from the overcompensation for 2011-2013 and the undue bonus for 2014 (Agreement No. C 135/30.06.2015 and Addendum No. 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and 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 increase in the balance "**suppliers of non-current assets**" at 31 December 2025 compared to 31 December 2024 was due to purchases of non-current assets that were received towards the year-end but for which the payment due date is 2026.

Payables to "**suppliers other activities**" are mainly represented by payables related to services provided by third parties that are not yet due, which have decreased since 31 December 2024.

At 31 December 2025, 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:

	31 December 2025	31 December 2024
Sundry creditors	235,363,526	385,402,830
Customers - Creditors	671,823,612	834,707,577
Dividends payable	622,177	133,613
Other short-term liabilities	407,236,982	139,765,068
Other long-term liabilities	-	5,612,979
Total	1,315,046,297	1,365,622,067

- "Sundry creditors", amounting to **235,363,526** at 31 December 2025 (385,402,830 at 31 December 2024), mainly represent:

- the net position of the support scheme for high efficiency cogeneration, debt position, totalling 204,964,019.
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
- 26,240,031 solution study contracts for connection to the RET,
- 1,938,050 royalty Q4 2025;
- 1,219,294 tender guarantees, performance and other guarantees.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

- "Trade accounts receivable" as at 31 December 2025 amount to **671,823,612** (834,707,577 as at 31 December 2024), of which 667,487,735 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), FBMC (Flow Based Market Coupling) and IDA (Intra Day Auction), from: BRM (411,669,338), IBEX (151,578,585), MAVIR (67,667,488), OPCOM (35,505,844) and JAO (1,066,480).
- At 31 December 2025, dividends due to the Company's shareholders and unpaid amount to **622,177** (133,613 at 31 December 2024). These amounts are available to shareholders via the paying agent.
- "Other short-term payables", amounting to **407,236,982**, (139,765,068 as at 31 December 2024) are mainly represented by guarantees of good payment of contracts concluded by CNTEE Transelectrica SA in the amount of 372,524,477, VAT not chargeable during the reporting period in the amount of 34,403,493, and others.

b) Provisions

As at 31 December 2025 and 31 December 2024, the statement of provisions is as follows:

	31 December 2025	31 December 2024
Provisions for litigation	23,860,498	23,950,036
Provisions for mandate contracts	8,405,439	8,600,444
Other provisions	2,069	44,967
TOTAL	32,268,006	32,595,447

	31 December 2025	31 December 2024
Balance at 1 January	32,595,447	65,205,991
Provision recognition	151,896	8,753,703
Provision reversal	(479,337)	(41,364,247)
Balance at end of period	32,268,006	32,595,447

The provisions for litigation outstanding at 31 December 2025, amounting to 23,860,498 (23,950,036 at 31 December 2024), mainly consist of provisions set aside for the following litigation:

- Case no. 36755/3/2018 - plaintiff Conaid Company SRL (17.216.093) - more details on this case are set out in Note 28 - Commitments and Contingencies.
- File no. 15561/3/2022 - claimant SMART SA (4.467.108) - more details on this file are set out in Note 28 - Commitments and Contingencies.
- *File No 3083/3/2020 - claimant NUCLEARELECTRICA SA (1,472,785)*

On 26.06.2020, Nuclearelectrica sued the Company for the payment of 1,290,533 RON representing negative imbalance and 182,251 RON, legal interest.

After several adjournments (26.06.2020, 16.10.2020, 11.12.2020), for various reasons, at the adjournment of 22.12.2020, the Court ordered the Company to pay to the plaintiff the amount of 1,290,533.156 RON, as compensatory damages, and to update this amount with the inflation rate as of 27.09.2018 until the date of actual payment, to pay the sum of 182,251.94 RON as statutory penalty interest calculated from 27.09.2018 until 31.01.2020, and to pay further statutory penalty interest calculated from 01.02.2020 until the date of actual payment. It also ordered the defendant to pay 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.

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.

CNTEE Tranelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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", totalling **8,405,439** as at 31 December 2025 (8,600,444 as at 31 December 2024), represents the remuneration representing the variable component, the non-competition compensation and that of the gross monthly fixed gross compensation remaining until the end of the term of office for the members of the Supervisory Board/ Management Board who have been removed from office, i.e. for the 2020-2024 terms of office.

17. CORPORATE TAX

Corporate income tax for the years 2025 and 2024 is as follows:

	2025	2024
Current income tax expense	(24,553,153)	(41,886,084)
Deferred tax expense/(income)	29,626,998	41,227,733
Global minimum tax expense - TEL group	5,612,979	(5,612,979)
Total	10,686,824	(6,271,330)

The Company's current and deferred income taxes for the years 2025 and 2024 are determined at a statutory rate of 16%, effective in 2025 and 2024.

In 2024, the Company recognised an estimated global minimum tax related to the Company in the amount of 5,612,979, as a result of the application of the provisions of *Law 431/2023 on ensuring a global minimum level of taxation for multinational groups of companies and large national groups*, for which the tax is required to be declared and paid by 30.06.2026. Based on the amendments to IAS 12 - 'Income Taxes', the Company has not recognised deferred tax in relation to the effective minimum tax relating to the Company.

Subsequently, in 2025, based on further clarifications to Law 431/2023, the national additional tax under the ODMTT rules falls under the provisions of Art. 53, so that large domestic groups or multinationals in the initial phase of international activity benefit from a zero tax reduction in the first 5 years from the moment of coming within the scope of the law. Thus, following the reanalysis of the situation, in the context of additional clarifications made to these legal provisions and taking into account the correspondence received from ANAF, it was found that the overall minimum tax applicable to the company is reduced to zero. Therefore, the amount recognised in 2024 with the global minimum tax has been reversed in 2025, ensuring compliance with the applicable legal framework, accounting compliance and fair presentation of the statement of financial position and income statement of the company as at the date of preparation of the financial statements.

Reconciliation of the effective tax rate on corporate income tax:

	2025	2024
Corporate income tax at the statutory rate of 16%	60,602,459	101,347,740
Effect of non-deductible expenditure	18,921,574	27,142,506
The effect of non-taxable income	(16,819,547)	(39,846,677)
Taxable revaluation reserve	30,058,092	44,575,484
Reinvested profit	(37,662,265)	(6,169,121)
Temporary differences	(29,626,998)	(41,227,733)
Global minimum tax - TEL group	(5,612,979)	5,612,979
Other effects	(30,547,160)	(85,163,848)
Total	(10,686,824)	6,271,330

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

The table showing the movement in deferred tax liability in 2025 and 2024 is as follows:

Elements	Balance at 1 January 2024	Recognised in profit and loss	Recognised directly in AERG	Balance at 31 December 2024	Recognised in profit and loss	Recognised directly in AERG	Balance at 31 December 2025
Property, plant and equipment - life cycle	42,143,564	863,848	-	43,007,412	22,486,391	-	65,493,803
Property, plant and equipment - revaluation res.	275,476,683	(44,110,209)	-	231,366,474	(29,490,615)	-	201,875,858
Property, plant and equipment financed by grants	(6,236,507)	(1,310,180)	-	(7,546,687)	(813,322)	-	(8,360,009)
Employee benefit obligations	(12,044,339)	(2,089,334)	-	(14,133,673)	3,984,064	-	(10,149,609)
Estimated interconnection	(5,760,000)	4,560,000	-	(1,200,000)	400,000	-	(800,000)
Provisions for litigation	(3,936,162)	(323,048)	-	(4,259,210)	14,326	-	(4,244,884)
Inventory adjustments	(2,056,709)	244,262	-	(1,812,447)	(606,373)	-	(2,418,820)
Production supplier estimates	(2,448,372)	936,937	-	(1,511,435)	924,380	-	(587,055)
Receivables adjustments	-	-	-	-	(25,755,376)	-	(25,755,376)
Adjustments for impairment of non-current assets in progress	-	-	-	-	(475,375)	-	(475,375)
Adjustments to shares held in FORENERG	-	-	-	-	(295,098)	-	(295,098)
Tax (asset)/debt	285,138,158	(41,227,724)	-	243,910,434	(29,626,998)	-	214,283,435

The deferred tax consists of:

	Asset		Liability		Net	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
Property, plant and equipment - life cycle	(4,391,910)	(50,101,103)	69,885,713	93,108,515	65,493,803	43,007,412
Property, plant and equipment - revaluation reserves	(29,490,615)	(44,110,209)	231,366,474	275,476,683	201,875,858	231,366,474
Property, plant and equipment financed by grants	(1,183,292)	(9,179,041)	(7,176,716)	1,632,354	(8,360,009)	(7,546,687)
Employee benefit obligations	(10,149,610)	(14,133,673)	-	-	(10,149,610)	(14,133,673)
Estimated interconnection	(800,000)	(1,200,000)	-	-	(800,000)	(1,200,000)
Provisions for litigation	(4,244,884)	(4,259,210)	-	-	(4,244,884)	(4,259,210)
Inventory adjustments	(2,418,820)	(1,812,447)	-	-	(2,418,820)	(1,812,447)
Production supplier estimates	(587,055)	(1,511,435)	-	-	(587,055)	(1,511,435)
Claims adjustments	(25,755,376)	-	-	-	(25,755,376)	-
Adjustments for impairment of non-current assets in progress	(475,375)	-	-	-	(475,375)	-
Adjustments to shares held in FORENERG	(295,098)	-	-	-	(295,098)	-
Net tax (asset)/debt	(79,792,037)	(126,307,118)	294,075,471	370,217,552	214,283,435	243,910,434

18. EARNINGS PER SHARE

At 31 December 2025 and 31 December 2024, earnings per share are:

	<u>2025</u>	<u>2024</u>
Profit/loss for the financial year	359,825,194	585,924,311
Number of ordinary shares at beginning and end of period	73,303,142	73,303,142
Basic and diluted earnings per share (RON/share)	4.909	7.993

19. OTHER TAXES AND SOCIAL SECURITY CONTRIBUTIONS

At 31 December 2025 and 31 December 2024, other taxes and social security liabilities comprise:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Contribution to social security funds	11,753,903	14,303,638
Payroll tax	2,117,428	2,861,321
Other taxes payable	1,226,934	1,266,791
Total	15,098,265	18,431,750

As at 31 December 2025, the Company has obligations to pay social security contributions, payroll tax and other taxes, which were paid in January 2026 (less the amount of RON 17,326 representing the labour insurance contribution related to unused rest leave).

20. OPERATING INCOME

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.

As regards the timing of revenue recognition, the energy market services provided by the Company are transferred to the customer over time and the payment terms are in accordance with the contractual provisions, there is no significant financial component, taking into account that the due date is less than one year. Also, contracts with customers under IFRS 15 do not contain variable elements.

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

	Tariff for the transmission service of feeding electricity into the electricity transmission system (TG)	Tariff for the transmission service for the extraction of electricity from the networks (TL)	Average fare for transport service	Tariff for system service
Order No 60/26.08.2025 for the period from 01 September to 31 December 2025	-	-	-	12.79
Order No 21/27.05.2025 for the period 01 June - 31 August 2025	-	-	-	7.04
Order No 99/20.12.2024 for the period 01 January - 31 December 2025	3.29	33.03	-	-
Order No 57/28.08.2024 for the period 01 September 2024 - 31 May 2025	-	-	-	11.51
Order No 15/29.05.2024 for the period 01 June - 31 August 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 from 01 January to 31 December 2024	-	-	31.67	-

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Starting with 01 January 2025, ANRE approves the tariff for the transmission service only for the two components: the tariff for the introduction of electricity into the transmission grid (TG) and the tariff for the extraction of electricity from the networks (TL), according to ANRE Order no. 99/20.12.2024.

The modification of the tariff value for the system service from 01 September 2025 by ANRE Order no. 60/26.08.2025 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 on 01 June 2025 (ANRE Order no. 21/27.05.2025), in accordance with the provisions of the regulatory framework issued by ANRE.

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:

	2025	2024
Quantity of electricity delivered to consumers (MWh)	51,730,518	51,824,802

The operating revenues realised in the years 2025 and 2024 are as follows:

	2025	2024
Transport service income	1,854,502,814	1,619,446,488
Income from the allocation of interconnection capacity	337,164,962	282,079,876
Income from reactive energy	1,868,037	1,659,786
Income from Inter TSO Compensation (ITC)	23,884,369	25,790,184
CPT transaction income	45,834,378	95,480,511
Transport Income - total	2,263,254,560	2,024,456,845
Income from system services	564,253,442	571,077,743
Income from disaster aid	9,533,040	62,199,139
Income from system services - total	573,786,482	633,276,882
Balancing market income	2,676,210,810	4,965,724,579
Income from other benefits and other operating income	59,145,466	153,974,422
Income from capitalisation of CPT	924,241	102,019,913
Other income - total	60,069,707	255,994,335
Total operating income	5,573,321,559	7,879,452,641

We present the situation of the customers that realised revenues higher than 10% of the Company's electricity market revenues recorded in 2025 and 2024, respectively:

	2025	2024
CIGA ENERGY SA	1,010,477,956 18.33%	1,580,193,503 20.73%
ELECTRICA FURNIZARE SA	641,396,229 11.63%	1,129,433,445 14.82%
HIDROELECTRICA SA	634,306,255 11.51%	956,674,386 12.55%
CINTA ENERGY SA	471,726,624 8.56%	1,246,052,576 16.34%

Transport service income

The revenues from the transmission service increased in 2025 compared to 2024 by 235,056,326, determined by the increase in the tariff for the transmission service approved by ANRE (see the table on the tariffs approved by ANRE for the period analysed, presented above), in the context of a decrease in the quantity of electricity delivered to consumers by 0.18%, i.e. by 94,284 MWh.

Income from the allocation of interconnection capacity

Revenues from the allocation of interconnection capacity increased in 2025 compared to 2024 by 55,085,086, corresponding to the level of utilisation of available interconnection capacity by electricity market traders.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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 growth 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 short-term 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-border tenders are only on the borders with Serbia and Moldova, while on the borders with Bulgaria and Hungary they are implicit (within the framework of the CIS).

On 18 March 2025 the IDA (Intraday Auctions) project was launched for Romania's bidding borders (Romania-Bulgaria and Romania-Hungary). In accordance with Article 55 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing guidelines on capacity allocation and congestion management it is necessary to establish intraday capacity prices. Thus, on the basis of ACER Decision No 01/2019 on the Methodology for pricing intraday intrazonal capacity, a tender mechanism was introduced to fulfil this objective. This is the so-called Intra-Domestic Auction - "IDA" which means the implicit auction of intraday transactions for the simultaneous matching of orders from different bidding zones and the allocation of available intra-domestic cross-zonal capacity at the bidding zone borders by applying a market coupling mechanism. In August 2025 the second OPEED in Romania - Bursa Română de Mărfuri - was successfully integrated.

The use of the net revenues from the allocation of interconnection capacity is carried out in accordance with the provisions of ANRE Order no. 68/2024 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.

Starting with 2025, by ANRE Decision no. 2624/10.12.2024 *for the approval of the method of covering the expenses forecast for 2025 from the revenues obtained from the allocation of cross-border interconnection capacity*, it was approved the RET maintenance expenses for certain major and minor maintenance projects, from the revenues obtained from the allocation of cross-border interconnection capacity.

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.

As of 01 July 2024, Ukraine joined the ITC mechanism and was no longer considered a perimeter country. The exchanges taken into account were therefore only those with the Republic of Moldova.

Thus, in the year 2025, the revenues recorded following the application of the ITC mechanism show a decrease of 1,905,815 compared to the year 2024, with the following mentions:

- ✓ although the energy exchanges with the perimeter countries taken into account were only those with the Republic of Moldova, they increased by about 2.4 times (from 1,040,652 MWh in 2024 to 2,512,948 MWh in 2025);
- ✓ the tariff for trade with perimeter countries was EUR 2.5/MWh until 14 May 2025 and EUR 1.5/MWh from 15 May 2025, compared to EUR 3/MWh in 2024,
- ✓ exceptionally in the year 2024 income was also recognised from the monthly settlements of March and May.

CPT transaction income

Revenues from energy trading for CPT are obtained from the sale of surplus energy at positive price and from the purchase of deficit energy at negative price, resulting from the difference between the long and medium term forecast and the short term forecast (per settlement interval) on the Intra-Til market managed by OPCOM and, respectively, from the difference between the forecast CPT and the CPT actually realised (per settlement interval) on the Balancing Market.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

These revenues were lower in 2025 compared to 2024 by 49,646,133.

Revenues from transactions on the Intra-Domestic Market were higher than in the previous year, as a result of increased energy sold on the Intra-Domestic market following forecast corrections as close as possible to the time of delivery, as well as higher prices on this market compared to 2024.

Revenues from transactions on the Balancing Market were significantly lower, as the CPT recorded in 2025 was lower than in the previous year. Given the increasing share of solar and wind generation, there is an increase in the supply of energy in the peak ranges and in the share of very low and even negative price ranges for short-term market prices.

Income from system services

Revenues from system services decreased by 6,824,301 in 2025 compared to 2024, determined both by the decrease 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 decrease in the quantity of electricity delivered to consumers by 0.18%, i.e. by 94,284 MWh.

In accordance with the provisions of the regulatory framework issued by ANRE, the approved tariff for system services was modified during 2025 due to the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff that entered into force on 01 September 2024.

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

At the request of neighbouring TSOs, during 2025, emergency aid in the total amount of 9,533,040 was granted to Ukraine (October, December), Republic of Moldova (October, November, December) and Serbia (March), to provide the energy necessary to cover the domestic consumption in these countries, due to armed conflicts on the territory of Ukraine, accidental shutdowns of groups in neighbouring countries, etc. These revenues were lower in 2025 compared to 2024 by 52,666,099.

Balancing market income

The revenue realised on the balancing market showed a significant decrease in 2025 compared to 2024, amounting to 2,289,513,769, mainly due to the following:

- 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 substations on trial.
- accelerated growth in installed power at prosumers;
- improved control/monitoring at the suppliers' level for the production of the prosumers they have in their portfolio and increased concern at their level for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;

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 as amended*, 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 924,241, 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.

21. SYSTEM OPERATION AND BALANCING MARKET CHARGES

The system operation and balancing market expenses realised in 2025 and 2024 are as follows:

	2025	2024
Expenditure on own technological consumption	541,405,135	609,329,971
Congestion charges	-	107,222
Electricity consumption expenditure in RET and RED stations	38,508,276	45,849,658
CPT expenses transit RED (as per ANRE decision)	17,442,815	12,840,055
Expenditure on Inter TSO Compensation (ITC)	43,474,485	47,485,600
Total operational expenditure	640,830,711	715,612,506
Expenditure on system services	705,984,678	523,611,184
Balancing market expenses	2,676,253,669	4,965,535,185
Total expenditure	4,023,069,058	6,204,758,875

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).

Technology own consumption expenditures were lower by 67,924,836 in 2025 compared to 2024, given a number of factors, as follows:

- ✓ Due to its characteristics, the Technological Own Consumption (CPT) 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.
- ✓ as a result of weather conditions and flows on the interconnection lines, the CPT value recorded in 2025 was lower than that recorded in the previous year;
- ✓ the abolition of the centralised electricity purchase mechanism (MACEE) with regulated price from 1 April 2024 and the abolition of the electricity and gas price cap schemes from 1 July 2025 have led to price increases in short-term markets;
- ✓ rising prices on the European energy market, reduced domestic capacity based on conventional fuels and reliance on volatile renewable generation increase import dependence in periods of high demand and thus the spot market price. Thus, the average price of energy purchased from the PZU in the year 2025 was higher than in the previous year;
- ✓ The price of PZU depends very much on weather conditions (drought, rainfall, extreme events) and European market prices. The Day-Ahead market is an unpredictable market with a high degree of volatility, with prices rising by as much as 30-40% in a week.
- ✓ from 1 July 2024, a number of changes to the Regulation on Terms and Conditions for Balancing Parties, in line with the requirements of the European Codes, came into force, which led to very high prices in the Balancing Market. These prices show a high degree of volatility and uncertainty and can vary widely, but are still below the 2024 peaks. The own technology consumption in the period analysed was lower than in the previous year, leading to lower costs resulting from covering energy imbalances in this market compared to 2024.

Electricity consumption expenditure in RET and RED 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. This expenditure decreased by 7,341,382 in 2025 compared to 2024.

CPT expenses transit RED (as per ANRE decision)

In 2025, CPT expenses related to additional transits of electricity from the concessionary distribution operators' networks at the 110 kV voltage level (for the quota allocated to the TSO) totalled 17,442,815, 4,602,760 more than in 2024. By ANRE Decisions no. 2780/20.12.2024 and no. 2781/20.12.2024, the forecast CPT quantities and the corresponding costs related to the additional electricity transits from the 110 kV electricity grids for 2025 were approved for the companies Rețele Electrice România S.A. and Distribuție Energie Oltenia S.A.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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 2025, these expenses were 4,011,115 lower than in 2024.

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

Expenditure on system services (balancing capacity)

System service expenses have increased significantly in 2025 compared to 2024 in the amount of 182,373,494.

The purchase of balancing capacity is made on the basis of the needs established by the National Energy Dispatching Office responsible for ensuring the stability and safety of National Energy System operation, in accordance with the provisions of ANRE Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilisation reserve providers and the Regulation on the terms and conditions for the parties responsible for balancing and for amending and repealing some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and additions.

In the year 2025, CNTEE Transelectrica SA has contracted the Reactive Energy from Societatea de Producere a Energia Electrice în Hidrocentrale "Hidroelectrica" SA., according to:

- ANRE Decision no. 2281/29.10.2024, regarding the granting of derogation for the transmission and system operator to purchase reactive electricity for voltage regulation in the grid on the basis of the market,
- the decision of CNTEE Transelectrica SA no. 218/12.12.2024 approving the maximum prices for the purchase of the reactive energy system service related to voltage regulation in the transmission grid;
- achievements confirmed by the National Energy Dispatch.

It should be noted that, in line with the trend observed on the balancing market, there has been a sharp increase in the purchase price of the Fast Tertiary Reserve - power reduction from May 2025. While average prices fluctuated between 15 and 23 RON/hMW in the first five months of the year, June 2025 saw an explosion in values, with an overall average of more than 108 RON/hMW. This increase is justified neither by significant changes in demand or supply, nor by objective technical factors, but represents a sudden and unilateral change in the bidding behaviour of a small group of participants. Bids submitted by some producers in June 2025 ranged from 100 to 999 RON/hMW, with repeated prices of 500, 700 and even 999 RON/hMW. Producers such as CE Oltenia, Electrocentrale Craiova, BEPCO, INGKA Investments Renewable Energy Romania and True Energy Management had a completely divergent behaviour compared to the other months, when the same bidders on the market had prices around 15 RON/hMW.

Also, starting from September 2025 to December 2025, a steep reduction in the purchase price of the Fast Tertiary Reserve - power reduction from 213.11 RON/hMW to 4.69 RON/hMW - has been manifested. This reduction is justified by the rescaling of reserves at the DEN and the bidding behaviour of market participants.

In the balancing capacity market, in line with the trend in the balancing market in 2025, there has been a downward trend in the purchase price for RRFa in the increase and reduction in power and an upward trend in the purchase price for RRFm in the reduction in power between May 2025 and August 2025 respectively, a steep downward trend in the purchase price for RRFm in the reduction in power between September 2025 and December 2025:

- average purchase price in the first half of 2025, for RRFa at increase - 60.54 RON/hMW, and in the second half of 2025 - 33.34 RON/hMW,
- average purchase price in the first half of 2025 for RRFa at reduction - 62.76 RON/hMW, and in the second half of 2025 - 23.05 RON/hMW;
- average purchase price in the first half of 2025, for RRFm at increase - 36.57 RON/hMW, and in the second half of 2025 - 37.54 RON/hMW;
- average purchase price in the first half of 2025 for RRFm at reduction - 32.57 RON/hMW, and in the second half of 2025 - 137.11 RON/hMW.

Balancing market expenses

The balancing market expenses realised in 2025, amounting to 2,676,253,669, were significantly lower, i.e. by 2,289,281,516, compared to those realised in 2024. 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.

22. DEPRECIATION

	2025	2024
Depreciation and amortisation of tangible and intangible non-current assets	289,423,244	274,032,304
Amortisation of intangible assets - additional CPT	90,995,027	74,478,538
Depreciation of assets related to rights of use of leased assets	8,382,194	7,952,240
Total	388,800,465	356,463,082

Depreciation expense on tangible and intangible non-current assets in the amount of 289,423,244, higher by 15,390,940 compared to 2024, represents the depreciation recorded in 2025, calculated at the fair value of the assets at 31 December 2024, correlated with the commissioning of investment works and the acceptance of the assets.

Expenses with amortisation of intangible assets - additional CPT in the amount of 90,995,027, higher by 16,516,489 compared to 2024, were recorded in accordance with the provisions of OMF no. 3900/2022 on the approval of accounting clarifications 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 assets amortisation expense recognised under IFRS 16 in the amount of 8,382,194 was higher by 429,954 compared to 2024 (the Company partly operates its business 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'.

23. STAFF EXPENDITURE

i) Staff expenses

	2025	2024
Expenditure on staff salaries	341,526,630	333,121,835
Social expenditure	15,734,063	16,006,744
Expenditure on vouchers granted to employees	16,126,835	16,326,960
Expenses related to the mandate contract and other committees, commissions	5,607,269	5,029,337
Social security and social protection expenditure	34,893,813	28,015,406
Provisions set aside/(reversals) for wage and salary costs and similar charges	(1,412,527)	(25,344,985)
Other expenses	(46,410)	(7,944)
Total	412,429,673	373,147,353

The total staff expenditure realised in 2025 shows an increase of 39,282,320 compared to 2024 mainly due to:

- increases in certain items of expenditure, such as: expenditure on staff salaries, expenditure related to contracts of mandate, expenditure on social security and social protection in accordance with the applicable legal provisions;
- update of the provisions set aside for the dismissed executive and non-executive directors, representing compensation under the mandate contracts concluded in 2020 for the period 2020-2024 (as actuarially calculated);
- the reversal to income of a part of the provisions set aside for dismissed executive and non-executive directors, representing the variable component related to the packages of FVOVs allocated and not valorised 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, at the same time as the payments made on the basis of enforceable court judgements received by the Company.
- updating the provision for employee benefit obligations (as actuarially calculated).

ii) Number of employees

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

As at 31 December 2025 and 31 December 2024, the actual number of employees with an individual employment contract of indefinite duration is as follows:

	2025	2024
Number of employees	2,018	2,026

24. OTHER OPERATING EXPENDITURE

	2025	2024
Other expenditure on services performed by third parties	141,335,189	132,277,544
Postage and telecoms charges	863,943	927,027
Royalties and rents	7,916,330	6,967,272
(Net) operating expenses related to impairment adjustments on current assets	-	(17,340,182)
Other expenses, of which:	106,953,508	106,025,417
- losses on sundry receivables and debtors	-	3,043,161
	-	1,119,289
- expenditure (net of provisions for other operating expenses		
- (net) expenditure on adjustments for impairment of non-current assets	-	9,383
- expenditure related to taxes, duties and similar charges (ANRE tax, natural monopoly tax, AMEPIP monitoring tariff, special construction tax, other local taxes and duties)	49,503,026	22,950,616
- other non tax-deductible operating expenses	7,276,990	1,540,293
- compensation expenses on the basis of mandate contracts/ OAVTs as per court decision	956,394	16,798,374
- expenditure on waste recovery	8,850,431	18,313,005
- expenditure on international subscriptions	7,994,282	7,564,625
- internal and external travelling expenses	7,425,075	7,954,500
- expenditure on administrative energy consumption	5,134,396	5,543,402
- sponsorship expenses	4,785,051	5,501,600
- other operating expenditure	15,027,863	15,687,169
Total	257,068,970	228,857,078

In 2025, the Company considered reclassifying certain expense items presented in 2024 to "Other operating expenses" as follows:

- (Net) operating expenses relating to adjustments for impairment of receivables and (net) losses on receivables and sundry debtors have been mapped to a new category called **Net adjustments for impairment of receivables**;
- (net) charges related to provisions for other operating charges, (net) charges related to impairment adjustments on non-current assets and (net) charges on sale of Property, plant and equipment have been mapped to a new category called **Other gains or losses**;
- (Net) operating expenses related to inventory impairment adjustments have been allocated to the category **Materials and consumables expenses**.

This expenditure increased in 2025 by 28,211,892 compared to 2024, mainly due to the change in certain expense items such as:

- increase expenditure on taxes, duties and similar payments, by introducing in 2025 the construction tax, in accordance with the provisions of GEO no. 156/2024 on some fiscal-budgetary measures in the field of public expenditure for the consolidated budget for 2025, for amending and supplementing some normative acts, as well as for extending some deadlines;
- increase in other expenditure items, such as: civil protection and security costs, costs related to the implementation of pan-European codes, Teletrans maintenance costs, insurance premiums, international membership fees, etc.;
- increased royalty and rental expenses, of which 2025 royalty expenses totalled 7,513,549, 932,601 higher than 2024;
- the recognition on the Company's operating costs of three disposals of property, plant and equipment in the course of construction, as disclosed in Note 5 "Property, plant and equipment";
- reduction of certain items of expenditure, such as: expenditure on goods (recovery of waste resulting from the maintenance/refurbishment/modernisation of stations), expenditure on administrative energy consumption, travel expenses, staff training, etc.;
- reduction 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.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Rent expenses represent amounts related to rents that do not meet the recognition criteria of IFRS 16 (concession contract, land rental expenses, various spaces) and are recognized in the profit and loss account. Of the total rent expenses, the value of the royalty is 7,513,549 for the year 2025 and 6,580,948 for the year 2024.

The concession contract is for 49 years, the royalty is paid quarterly and the royalty expense is recorded monthly.

A 10% increase in gross revenues from electricity transport and transit operations would have represented an increase in royalty expenses by 751,355 for the year 2025 and by 658,095 for the year 2024.

25. OTHER OPERATING GAINS OR LOSSES

	2025	2024
(Gains) / Losses on sale of Property, plant and equipment	538,800	-
(Gains)/losses on impairment of Property, plant and equipment	(7,226,984)	-
exchange rate (gains)/losses operating activities	769,070	-
(Gains)/losses on provisions for other operating expenses	(2,301,994)	-
Total	(8,221,108)	-

In 2025, the Company considered reclassifying certain expense items presented in 2024 to "Other operating expenses" and "Net financial income (loss)" by introducing a new category called "Other gains or losses."

For comparability between the two years, **we present for information purposes** in the table below the amended "Other gains or losses" note for 2024, as reclassified from 2025:

	2025	2024
(Gains) / Losses on sale of Property, plant and equipment	538,800	2,122,218
(Gains)/losses on impairment of Property, plant and equipment	(7,226,984)	9,383
exchange rate (gains)/losses operating activities	769,070	(88,854)
(Gains)/losses on provisions for other operating expenses	(2,301,994)	1,119,289
Total	(8,221,108)	3,162,036

26. NET FINANCIAL RESULT

	2025	2024
Interest income	11,559,365	6,832,600
Foreign exchange gains	776,919	4,589,702
Other financial income	23,083,277	15,806,481
Total financial income	35,419,561	27,228,783
Interest-related expenses	(5,539,287)	(7,200,049)
Expenses from exchange rate differences	(1,977,333)	(6,577,347)
Other financial charges	-	-
Total financial expenditure	(7,516,620)	(13,777,396)
Net financial result	27,902,941	13,451,387

In 2025, the Company considered reclassifying certain expense items presented in 2024 to the category "Net financial result" by mapping foreign exchange differences related to operating activities to the newly introduced category "**Other gains or losses**" in the amount of 769,070, compared to 2024 when foreign exchange differences related to operating activities were in the amount of (88,854).

As at 31 December 2025, the Company recorded a net financial result (profit) in the amount of 27,902,941, higher by 14,451,554 compared to 2024, mainly influenced by the dividends received from the subsidiaries OPCOM SA and TELETRANS SA, as well as by the increase in interest income received during the period under review.

As at 31 December 2025, in the total amount of 5,539,287 (interest expense), the amount of 215,515 represents the interest calculated on non-current assets related to the rights of use of leased assets - buildings, in accordance with IFRS 16 - Leases, compared to 2024 where in the total amount of 7,200,049 (interest expense), the amount of 438,677 represented the interest calculated on non-current assets related to the rights of use of leased assets - buildings, in accordance with IFRS 16 - Leases.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

The exchange rate of the national currency recorded on 31 December 2025 compared with that recorded on 31 December 2024 is as follows:

Currency	31 December 2025	31 December 2024
RON / Euro	5.0985	4.9741

27. TAX LEGISLATIVE FRAMEWORK

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

• ANAF Control

As of 22 December 2025, the Company is subject to a tax inspection (ANAF - Regional Directorate of Public Finances Iași - Neamț County Administration of Public Finances) with the object:

- verifying the legality and compliance of tax returns and/or transactions in relation to the establishment of tax bases and main tax liabilities relating to:

a) value added tax in the period 01.01.2019 - 31.12.2023;

b) corporate income tax from 01.01.2019 to 31.12.2023.

- checking tax and accounting compliance;

- checking other aspects relevant to taxation.

At the date of preparation of these financial statements, the tax inspection is in progress and neither a tax inspection report nor a tax assessment decision has been issued.

The Company's management considers that the tax liabilities have been calculated and declared in accordance with the tax legislation in force. Based on the information available at the date of the financial statements, no adjustments leading to the recognition of a provision for risks and charges have been identified.

In the event that, following the completion of the tax inspection, the tax authorities establish additional differences to be paid, these will be recognised in the financial statements of the year in which they become certain and identifiable.

28. ACCRUALS AND CONTINGENCIES

a) Accruals

At 31 December 2025, the Company had commitments amounting to **2,484,362,246** (1,391,497,534 at 31 December 2024) representing contracts in progress for investment works relating to the modernisation and upgrading of the transmission network.

b) Land used by the Company

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

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

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

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

Until 31.12.2025, there were different opinions on the application/interpretation of the relevant legislation, i.e. privatisation legislation and capital market legislation, and CNTEE Transelectrica SA is objectively unable to increase the share capital by the value of the 17 plots of land for which the Company has obtained the certificates of attestation of ownership and for which the expert JPA Audit și Consultanță SRL has established a fair value.

c) 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 at the date of these financial statements, there are no material litigations pending, except for the following:

• REGIA AUTONOMĂ PENTRU ACTIVITĂȚI NUCLEARE (RAAN)**Case file: 9089/101/2013**

File subject: bankruptcy

Value in dispute: 19,113,255 RON

File status: After several adjournments for the continuation of the bankruptcy proceedings, i.e. for the collection of claims, the realisation of assets and the performance of other liquidation operations, the next court date was set for **25 March 2026**.

For the uncollected receivables from RAAN, the Company recognised an adjustment for impairment of receivables in the amount of 8,516,707 RON.

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

a) File: 28460/3/2017

File subject: By the application, the plaintiff R.A.A.N. requests that the undersigned be ordered to pay the amount of RON 12,346,063, representing the bonus for the period November 2015-April 2016 and the regularisation of the bonus in the amount of RON 11,024,077, as well as the amount of RON 1,321,986, representing late payment penalties related to the principal debt.

Value in dispute: 12,346,063 RON

File status: The appeal lodged by the appellant Transelectrica S.A. against the decision no. 806 of 20 May 2024, rendered by the Bucharest Court of Appeal - Section VI Civil, was admitted at the term of 13.11.2025. At the hearing of 19.02.2026, the ICCJ rejects the appeal filed by the defendant Compania Națională de Transport de Energiei Electrice "Transelectrica" S.A. against decision no. 806A of 20 May 2024, rendered by the Bucharest Court of Appeal - 6th civil department, as unfounded. Definitive.

The amount of 12,346,063 RON was paid by the Company in May 2024.

b) File: 3694/3/2016

File subject: By the application, the applicant R.A.A.N. requests that the undersigned be ordered to pay the amount of 12,727,102 RON, representing the amount of the bonus and the regularisation of the pre-overcompensation for which invoices SRTF series no. 1500031 of 24.04.2015, SRTF series no. 1500033 of 22.05.2015, SRTF series no. 1500036 of 22.06.2015, SRTF series no. 1521311 of 23.07.2015, SRTF series no. 1500041 of 17.08.2015, SRTF series no. 1500045 of 23.09.2015, SRTF series no. 1521339 of 26.10.2015 and SRTF series no. 1521282 of 8.04.2015, as well as the amount of RON 2,917,620, representing late payment penalties related to the principal debt, for which invoices SRTF series no. 1500059 of 31.12.2015 and SRTF series no. 1500060 of 31.12.2015 were issued.

Value in dispute: 15,698,722 RON

File status: On 03.06.2024, the appeal was allowed, the judgement appealed against was modified in its entirety, to the effect that: the claim was allowed. The defendant was ordered to pay the applicant the sum of 12,727,102 RON, representing the amount of the bonus and regularisation of the pre-overcompensation for which invoices series SRTF were issued, and the sum of 2,917,620 RON, representing late payment penalties related to the principal debt, for which invoices series SRTF were issued, with right of appeal.

Transelectrica has appealed. At the trial of 16.10.2025 ICCJ rejects the appeal lodged by the defendant-appellant Compania Națională de Transport de Energiei Electrice Transelectrica S.A. against the civil decision no. 898 A of 3 June 2024, rendered by the Bucharest Court of Appeal - 6th Civil Department, as unfounded. Definitive.

The amount of RON 15,698,722 was paid by the Company in June 2024.

• COURT OF AUDITORS OF ROMANIA

Between September 2023 and January 2025, the Court of Accounts of Romania, through Department IV, carried out a compliance audit of CNTEE Transelectrica SA. The subject of the compliance audit was "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.

Following the finalisation of the audit mission, Department IV of the Court of Accounts of Romania issued the Compliance Audit Report of CNTEE Transelectrica SA no. 6000/23.01.2025 and the Letter to the management no. 60001/23.01.2025, approved by the Plenum Decision no. 47/23.01.2025, which established a number of 17 recommendations with a deadline for implementation of 30 April 2025.

On 11.03.2025, the Company lodged a prior complaint against the aforesaid compliance audit report.

On 11.06.2025, Transelectrica received the CCR's response to the preliminary complaint, in which they rejected the preliminary complaint as inadmissible for the audit report, and unfounded as regards the plenary judgement.

Following the response received from the CCR, on 07.08.2025, the Company filed a summons with the Bucharest Court of Appeal (**file no. 5244/2/2025**), requesting the following:

a) annul the Plenary Decision no. 47/23.01.2025 on the approval of the CNTEE Transelectrica SA Compliance Audit Report no. 6000/23.01.2025 and the Letter to the management no. 60001/23.01.2025;

b) annul in part the CNTEE Transelectrica SA Compliance Audit Report No 6000/23.01.2025 and the Letter to the management No 60001/23.01.2025 with regard to the recommendations set out in points 5.1, 5.6, 5.12 in part, 5.13 in part, 5.14 in part, 5.15 and 5.16.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

c) suspension of the effects of Plenary Judgment No 47/23.01.2025 until the final resolution of the present case;

d) costs.

Case file: 5244/2/2025

File subject: litigation Court of Accounts (Law No 94/1992), judgement No 47/23.01.2025

File status: On 08.09.2025, Transelectrica requested the court to order a trial term for the resolution of the request for suspension of the effects of the Plenary Decision no. 47/23.01.2025 until the resolution of the merits of the case. The court fixed 14.10.2025 as the trial date for the decision on the application for suspension. CAB solution: Dismisses the application for suspension as unfounded.

At the trial term of 03.02.2026, a term of 06.02.2026 was granted in order to solve the abstention declaration formulated by Judge Silvia Pavelescu and at the term of 06.02.2026 the court Rejects as unfounded the request of abstention from the judgment of the case with no. 5244/2/2025, formulated by Judge Silvia Pavelescu. Trial date: **31.03.2026**.

• OPCOM

Case file: 22567/3/2019

File subject: 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 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.

Value in dispute: 5,811,238

File status: The TMB's solution Admits the challenge of limitation. Dismisses the action as time-barred.

Transelectrica has appealed. CAB solution according to Judgement 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.

Transelectrica lodged an appeal against Civil Decision no. 1532/12.10.2022 of 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.

New case 22567/3/2019* the case has been referred for retrial. The appeal was dismissed as unfounded on 18 February 2025. The appellant-claimant was ordered to pay to the respondent-defendant the amount of 28,777.79 RON by way of costs. With right to appeal within 30 days of notification. Decision 235/18.02.2025. Transelectrica has appealed.

At the hearing of 24.02.2026, the ICCJ rejected as unfounded the main appeal lodged by the appellant-plaintiff Compania Națională de Transport de Energie Electrice "TRANSELECTRICA" S.A. against the civil decision no. 235 of 18 February 2025, rendered by the Bucharest Court of Appeal - Fifth Civil Section. Dismisses as unfounded the cross-appeal lodged by the defendant-appellant Operatorul Pieței de Energie Electrică și Gaze Naturale - OPCOM S.A. against the civil decision no. 235 of 18 February 2025, rendered by the Bucharest Court of Appeal - Fifth Civil Section. Dismisses the parties' applications for costs on appeal. Definitive.

For the amounts presented above, the Company recognises allowances for impairment of receivables (principal debit and related penalties).

Case file: 24242/3/2021

File subject: OPCOM seeks a declaration of nullity - contribution in kind

Value in dispute: Decrease of the share capital from 22,587,305 to 2,316,143 RON. Decrease in the number of shares held by Transelectrica on OPCOM.

File status: 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.

OPCOM has appealed. At the court term of 13.03.2025 the appeal was dismissed as unfounded and the plaintiff was ordered to pay to the state the amount of 179,550 RON representing the court stamp duty.

OPCOM has appealed. At the hearing of 17.02.2026 ICCJ rejects as unfounded the appeal lodged by the plaintiff SOCIETATEA OPERATORUL PIETEI DE ENERGIE ELECTRICA ȘI DE GAZE NATURALE - OPCOM S.A. against the civil decision no. 423 of 13 March 2025 issued by the Bucharest Court of Appeal - Fifth Civil Section. Definitive.

Case file: 44380/3/2024

File subject: claims and conclusion of Addendum, cval. services for the calculation of receivables and payment obligations of transactions realised by PRE and PPE plus legal interest

Value in dispute: RON 2,914,065 representing the value of the services rendered by OPCOM in favour of Transelectrica pursuant to Contract no. C 707/2022, for the calculation of the rights to be collected and payment obligations of the transactions carried out by the balancing market participants and of the imbalances of the parties responsible for balancing in the period 01.01.2023 - 29.02.2023.

File status: At the hearing on 13.01.2026, in order to administer the proposed evidence, the case is adjourned to 10.03.2026. At this term, the court adjourned the case to **05.05.2026**.

At 31 December 2025, the Company has no provision recorded for this litigation.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

• CONAID COMPANY SRL

Case file: 36755/3/2018

File subject: claims and finding of unjustified refusal to conclude an Addendum to the connection contract RET C154/2012

Value in dispute: 17,216,093 RON loss suffered and 100,000 euro estimated unrealised profit

File status: TMB solution: The plea of limitation of the substantive right to bring proceedings, raised by way of defence, is admissible. Dismisses the application as time-barred.

Conaid has appealed. CAB solution: Allow the appeal. Annuls the appealed civil judgment and remits the case to the first instance for a decision on the merits.

Transelectrica has appealed. At the judgment term of 26.02.2026, the ICCJ dismissed as unfounded the appeal lodged by the defendant-appellant Compania Națională de Transport de Energiei Electrice "Transelectrica" S.A. against the civil decision no. 529A/2025 of 27 March 2025, rendered by the Bucharest Court of Appeal - Section VI Civil, in contradiction with the respondent-claimant CONAID COMPANY S.R.L., through the judicial administrator C.I.I. Matache Alice Mirela. Definitive.

For the amount of RON 17,216,093, CNTEE Transelectrica SA has made a provision in 2019.

• REȘIȚA MUNICIPALITY

Case file: 2494/115/2018* / 2494/115/2018**

File subject: claims for land rent for the years 2015, 2016, 2018, 2019, 2020, 2021, 2022 and 2023, plus legal penalty interest from the due date until actual payment

Value in dispute: 17,038,127

File status: At the hearing of 27.02.2025, the court rejects the plea of prescription of the right to bring an action regarding the claims consisting in the rent for 2015 and the plea of lateness of the filing of the amendments to the action, pleaded by the defendant Transelectrica S.A. It qualifies the plea of res judicata as a substantive defence regarding the positive effect of res judicata. Dismisses the action brought by the defendant Municipality of Reșița against the defendant Transelectrica S.A.

The municipality of Resita appealed. The trial date is set for **21 April 2026**.

• SMART SA

Case file: 15561/3/2022

File subject: SMART SA requested that Transelectrica be ordered to pay the amount of RON 4,467,108, representing the amount of tax liabilities related to the increased income as a result of the increase in the tax base resulting from the adjustment of income for the years 2014, 2015 and 2016 + court costs.

Value in dispute: 4,467,108 RON

File status: At the hearing on 20 March 2025, the court granted the application. Orders the defendant to pay the claimant the amount of 4.467.108 as well as the statutory penalty interest for the amount of 3.193.869 from 21.12.2021 until the date of actual payment. Orders the defendant to pay the applicant's costs in the amount of RON 51 379 by way of stamp duty and RON 3 000 by way of expert's fees.

Transelectrica has appealed. At the hearing of 20.02.2026, the court adjourned the hearing of the case with the agreement of the parties and granted a term of hearing on **08.05.2026**, for the respondent to take cognisance of the notes of the hearing filed by the appellant.

For the amount of RON 4,467,108, CNTEE Transelectrica SA has made a provision in 2022.

• OTHERS

The company is involved in significant litigation, notably for debt recovery (e.g.: Total Electric Electric Oltenia SA, Regia Autonomă de Activități Nucleare, Energy Holding SRL, UGM Energy Trading SRL, CET Bacău, CET Govora, Nuclearelectrica, CET Brașov, Elsaco Energy SRL, Arelco Power SRL, Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL, PET Communication, ISPE, Grand Voltage SRL, EXPLOCOM GK SRL, Next Energy Partners, SC ENOL GRUP SA, Aderro GP Energy 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.

d) Guarantees

At 31 December 2025 and 31 December 2024, the guarantees are as follows:

	2025	2024
Guarantees granted, of which:	316,013,930	537,109,169
- letters of guarantee granted - production	124,601,771	157,285,826
- letters of guarantee granted - investments	16,412,159	29,823,343
- other guarantees granted	175,000,000	350,000,000

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Guarantees received, of which:	1,130,452,523	821,958,681
- letters of guarantee received - production	302,537,667	327,365,637
- letters of guarantee received - investments	780,057,722	446,736,910
- other guarantees received	47,857,134	47,856,134

Guarantees granted

The company is obliged, pursuant to the Operating Licence no. 161/2000 for the provision of electricity transmission services and system balancing services, granted by ANRE's Decision no. 865/22.12.2000, as subsequently amended and supplemented, to establish and maintain a financial guarantee of 1% of the Revenue associated with the activities authorised by the licence, for the last financial year, which shall ensure the continuous provision of the activities covered by the licence, taking into account the major risks that may affect these activities and covering any damages claimed under the contractual provisions concluded. In order to fulfil this obligation, on 01.02.2022, the Company entered into a credit agreement with Banca Comercială Română with the purpose of granting a ceiling for the issuance of bank letters of guarantee in the amount of 23,268,228 with validity in the period from 01.01.2022 to 31.12.2022.

On 24.12.2024 was concluded Addendum no. 3 to the credit agreement concluded with Banca Comercială Română on the granting of a ceiling for the issuance of letters of bank guarantee, which reduced the amount of the ceiling to 46,314,080 and extended its validity until 31.12.2025.

On 24.12.2025 was concluded Addendum no. 4 to the credit agreement concluded with Banca Comercială Română with the purpose of granting a ceiling for the issuance of letters of bank guarantee, increasing the amount of the ceiling to 76,390,930 RON and extending its validity until 31.12.2026.

The other guarantees granted are mainly bank letters of guarantee issued for the purchase of electricity to cover the Technological Own Consumption (TOC) on the centralised markets administered by OPCOM - the Centralised Market for Bilateral Contracts for Electricity - the extended auction trading mode and the use of products to ensure trading flexibility (PCCB-LE-flex), the continuous trading mode (PCCB-NC), the Centralised Market with continuous double trading of bilateral electricity contracts (PC-OTC), the Next Day Market (PZU) and the Intra-day Market (PI), as well as commitments/guarantees granted in relation to ongoing loan contracts for investment activity.

Other guarantees given represent the assigned contracts to guarantee the credit lines taken out for the support scheme for cogeneration and working capital.

Guarantees received

The guarantees received are mainly bank letters of guarantee of good payment related to contracts concluded on the electricity market, balancing, high efficiency cogeneration, letters of guarantee of good execution, good performance related to investment contracts and other guarantees received under contracts financed from the connection fee.

e) Revaluation reserves at 31 December 2025

At 31 December 2025, revaluation reserves (net of tax) amount to 1,404,145,417 (31 December 2024: 1,514,138,168).

As from 1 May 2009, reserves from the revaluation of non-current assets, including land, carried out after 1 January 2004, which are deducted in the calculation of taxable profit by means of tax depreciation or expenses relating to assets disposed of and/or scrapped, shall be taxed at the same time as the deduction of tax depreciation, respectively at the time of the disposal of these non-current assets, as the case may be.

Realised reserves are taxable in the future, in the event of a change in the destination of the reserves in any form, in the event of liquidation, merger of the company, including its use to cover accounting losses, except for the transfer, after 1 May 2009, of the reserves mentioned in the previous paragraph.

f) Electricity transmission and system service tariff

The model currently applied in Romania for regulating transport tariffs is the revenue cap. "revenue cap").

The model involves regulating the total revenue allowed to the transmission system operator and includes the objectives of ensuring the necessary prerequisites for the efficient operation of the transmission service and maintaining the financial viability of the operator in order to adequately remunerate the financiers and maintain access to finance.

The model contains mechanisms to incentivise operational efficiency and a financial return framework based on the control of the investments made by the operator (regulated asset base) and a regulated rate of return set on the basis of the operator's estimated average cost of funding.

The tariffication of electricity transmission services is carried out per regulatory period. The regulatory periods are multi-year tariff regulation cycles (currently 5 years), during which a tariff calculation methodology is applied¹ and for which a complete set of

¹The methodology currently applied is the one approved by ANRE Order No 68/2024 with subsequent amendments and additions.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

parameters is pre-determined over the horizon of the respective periods for the actual tariff calculation. Setting tariff parameters on multi-year horizons provides a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

Within a regulatory period, tariffs are reviewed annually and remain valid for periods of 12 months from the date of approval (tariff years).

Differences between the forecast and actual values of the tariff calculation parameters for a given tariff year shall be compensated through ex-post corrections implemented in the tariff in subsequent tariff years or at the beginning of the immediately following regulatory period.

For certain specific components of the regulated cost base that are subject to caps, the exceeding of the forecast level of those costs shall not be compensated. Also, for certain cost components, the savings realised are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- costs of day-to-day operation of the service: controllable and non-controllable operating and maintenance costs, own technological consumption, internal network congestion, costs and revenues related to the mechanism of financial compensation of electricity transits within ENTSO-E;
- service development costs: the planned investments in the transmission network, the regulated assets used by Transelectrica in its operations, the depreciation schedule based on regulated operating lives, the return on invested capital determined on the basis of a regulated rate of return applied to the regulated asset base;
- the quantity of chargeable electricity, the price of reactive energy.

Transmission tariffs are invoiced on the basis of the quantities of active electricity fed into/removed from the public electricity grids on the territory of Romania, excluding imports/exports.

Transelectrica charges a transmission tariff for injection into the public electricity networks (tariff component TG) and for extraction from the public electricity networks (tariff component TL).

TG does not apply to electricity produced by power plants with a small installed capacity of up to 5 MW. The TG also does not apply to imported electricity. TL does not apply to exported electricity.

I) Transport tariffs applied in 2025

By ANRE President Order no.99/2024, the tariffs for the introduction of electricity into the transmission grid (T_G) and for the extraction of electricity from the grid (T_L), applied by CNTEE Transelectrica S.A., valid from 01 January 2025, were approved, as shown in the table below:

Electricity transmission*	MU	Tariff applied in 2024	Tariff in force from 1 January 2025 according to ANRE Order no. 99/ 20.12.2024	Difference (%)
(1)	(2)	(3)	(4)	(5)=(4)/(3)
T_G (grid injection component)	RON/MWh	3.82	3.29	-13.87%
T_L (grid extraction component)	RON/MWh	27.72	33.03	19.16%

*Note: From 1 January 2025, the concept of "average transmission tariff" has been abolished. By 1 January 2025, ANRE shall approve an average transmission tariff and the values of the tariffs for injection into the grid T_G (tariff paid by producers) and extraction from the grid T_L (tariff paid by consumers). Only T_G and T_L tariffs are applicable in the performance of transport contracts. The average transport tariff had only an indicative value and was an indicator of the evolution over time of the transport tariff as a whole, irrespective of the way costs were allocated to the two tariffs TG and TL.

The tariff components making up the tariffs for feeding electricity into the transmission grid (TG) and for the extraction of electricity from the grid (T_L), applied by CNTEE Transelectrica S.A., valid from 01 January 2025, are presented in the tables below:

Tariff components - Transmission grid injection tariff (TG)

	Tariff as of 01 January 2025 (RON/MWh), according to ANRE Order No 99/20.12.2024, of which:	Tariff component corresponding to the CPT regulated income to be recovered from producers (C_CPT_P) (RON/MWh)	Tariff component corresponding to the capitalised additional CPT regulatory income to be recovered from producers (C_CPT_S_P) (RON/MWh)
Transmission grid injection tariff (T_G)	3.29	2.84	0.45

Tariff components - Tariff for withdrawing electricity from the transmission system (TL)

II) Tariff for the purchase of system services applied in 2025

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

ANRE Orders no. 57/2024, no. 21/2025 and no. 60/2025 approved the tariffs for the purchase of system services by CNTEE Transelectrica SA valid in 2025, as shown in the table below:

System Service	MU	Tariff in force	Difference (%)
Order No 57/2024 (1 January - 31 May)	RON/MWh	11.51	-
Order No 21/2025 (1 June - 31 August)	RON/MWh	7.04	-38.81%
Order No 60/2025 (1 September - 31 December)	RON/MWh	12.79	+81.69%

The negative and positive adjustments of the tariff as of 1 June 2025 and 1 September 2025, respectively, were 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.

	Tariff from 01 January 2025 (RON/MWh), according to ANRE Order no. 99/20.12.2024, of which:	Tariff component corresponding to regulated income non CPT (CT_non CPT) (RON/MWh)	Tariff component corresponding to the CPT regulated income recovered from final customers (C_CPT_C) (RON/MWh)	Tariff component corresponding to the capitalised additional CPT regulated revenue to be recovered from final customers (C_CPT_S_C) (RON/MWh)
Grid withdrawal tariff (T_L)	33.03	24.01	7.73	1.29

g) Contingencies

At 31 December 2025, **contingent liabilities** amount to RON 49,219,313. These relate to disputes concerning claims for additional costs following an increase in the minimum wage in the construction sector for investment contracts.

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.

29. AFFILIATED PARTIES**i) Subsidiaries owned by the Company**

Entity	Country of origin	31 December 2025 % of shares	31 December 2024 % 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
ICEMENERG SERVICE SA **)	Romania	-	-

The net value of shares held by the Company in its subsidiaries is 76,194,380 at 31 December 2025 and 78,038,750 at 31 December 2024. Their decrease is due to the merger by absorption of TELETRANS SA (as the absorbing company) with FORMENERG SA (as the absorbed company), both companies being subsidiaries of the Company.

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.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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 31 December 2025, 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.

On 23 September 2025, the procedure of merger by absorption between the subsidiary Societatea pentru Servicii de Telecomunicații și Tehnologia Informației în Rețelele Electrice de Transport - "TELETRANS S.A.", as the absorbing company, and "Formenerg" S.A., as the absorbed company, was completed.

As a result of the merger operation, on 31 December 2025, the share capital of "TELETRANS" S.A., the Company for Telecommunication and Information Technology Services in the Electric Transport Networks, is RON 6,978,480, divided into 697,848 registered shares, each share with a value of RON 10. The share capital structure is as follows: 1,908,070 RON in kind - equivalent to 190,807 shares, 4,966,360 RON in cash - equivalent to 496,636 shares and 104.050 RON, equivalent to 10,405 shares, resulting from the merger by absorption with FORMENERG S.A..

• 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 books, as at 31 December 2025, the share capital of the Subsidiary Icemenerg SA is 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 Cercetări și Modernizări 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 resolution of the ORC director ordering the deregistration of the ICEMENERG SA Bucharest branch from the trade register.

The Bucharest Court, Civil Department VI, by Judgment no. 3569/14.07.2014, rendered in case no. 15483/3/2014, in which the Company was in contradiction with the defendants Subsidiary Institutul de Cercetări și Modernizări Energetice "Icemenerg" S.A. Bucharest and Institutul National de Cercetare-Dezvoltare pentru Energie-Icemenerg Bucharest, rejected the Company's complaint, on the grounds that HG no. 925/2010 had not been revoked by the time of its cancellation at the ORC. 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.

Transelectrica SA filed an appeal for annulment against the Decision no. 173/2015, issued by the Bucharest Court of Appeal, which is the subject of case no. 1088/2/2015, pending before the Bucharest Court of Appeal - Civil Department VI, with a trial date of 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

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

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 valuator appointed by ONRC. In exchange for the contribution in kind to the share capital, the company issued to the new shareholder, the Romanian State through the Ministry of Economy, which exercised from the date of the 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 31 December 2025, 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 31 December 2025, 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.

On 23 September 2025, the procedure of merger by absorption between the subsidiary Societatea pentru Servicii de Telecomunicații și Tehnologia Informației în Rețelele Electrice de Transport - "TELETRANS S.A.", as the absorbing company, and "Formenerg" S.A., as the absorbed company, was completed. In accordance with the applicable legislation, as of 23 September 2025, the subsidiary Teletrans took over all the rights and obligations assumed prior to the merger by the subsidiary Formenerg.

Following the merger of the two subsidiaries, Transelectrica's holdings in Teletrans increased by 104,050, while Transelectrica's holdings in FORMENERG decreased.

Thus, in the Company's accounting records, as at 31 December 2025, the share capital amounts to 1,844,370, for which the Company has recorded an impairment adjustment of 100% for the shares held in FORMENERG which was written off on 23.09.2025.

• 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 ICEMENERG SERVICE SA.

Share capital on 31 December 2025 is 493,000, fully subscribed and paid up.

**) On 09.06.2017, the Bucharest Court, Civil Department VII, ordered the entry into bankruptcy by simplified procedure of the debtor Company Subsidiary ICEMENERG SERVICE - SA, appointing Solvendi SPRL as provisional liquidator.

On 27.04.2021, the Special Administrator of the ICEMENERG Service Subsidiary informs that on 23.04.2021, following the auction held, the assets of ICEMENERG Service Subsidiary 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 Department 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 removing it from the Bucharest Trade Register.

ii) Related parties - the main economic and financial indicators realised by the Company's Subsidiaries as at 31.12.2024

The main economic and financial indicators achieved by the Company's subsidiaries as at 31 December 2024 (the last financial year for which the financial statements of the subsidiaries have been approved) are presented as follows:

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Indicators	SMART	TELETRANS	OPCOM	FORMENERG
Revenue	105,927,103	64,185,093	62,569,910	1,281,696
Gross profit/(loss)	5,114,350	2,734,289	30,038,023	(1,375,805)
Paid-up share capital	38,528,600	6,874,430	31,366,090	1,948,420
Unpaid share capital	-	-	-	-
Reserves	21,837,744	17,726,682	13,110,828	250,164
Equity - total	142,360,647	31,930,707	74,821,887	18,532,827

iii) Related parties - transactions with Subsidiaries owned by the Company

At 31 December 2025 and 31 December 2024 balances with subsidiaries held by the Company are detailed as follows:

Related entity	Trade receivables*)		Trade payables	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
SMART SA	470,699	344,243	27,076,744	20,272,899
TELETRANS SA	175,200	112,719	14,485,684	18,099,560
OPCOM SA	101,497,460	634,690,819	90,226,664	644,297,354
TOTAL	102,143,359	635,147,781	131,789,091	682,669,813

*) Trade receivables are shown gross.

Transactions in 2025 and 2024 with its subsidiaries are detailed as follows:

Related entity	Sales		Procurement	
	2025	2024	2025	2024
SMART SA	1,155,597	1,022,739	117,904,570	97,977,666
TELETRANS SA	1,945,304	1,851,144	55,151,178	54,324,106
FORMENERG SA	-	-	2,700	7,200
OPCOM SA	1,449,258,095	3,637,185,395	2,763,526,374	1,833,386,404
TOTAL	1,452,358,996	3,640,059,278	2,936,584,822	1,985,695,376

During 2025, the Company received dividends from subsidiaries in the amount of 23,010,725, itemised as follows:

- TELETRANS - 902.361;
- OPCOM - 22.108.364.

Types of transactions conducted in 2025 with subsidiaries:

- Teletrans SA - represents the provision of maintenance services for telecommunications systems, process informatics, information technology and cybersecurity, respectively support services for the implementation and operation of electronic communications networks in order to exploit the excess fibre optic capacity;
- Smart SA - represents the execution of maintenance services, design and connection works to public electricity networks;
- Opcom - represents transactions for the sale and purchase of electricity.

Related parties - transactions with other state-owned companies

The company is a majority state-owned entity.

The value of the Company's transactions with entities controlled by the State or over which the State exercises significant influence represents a significant portion of the sales and purchases recorded in the year ended 31 December 2025.

Significant purchases/sales and balances are mainly with electricity producers/suppliers where the state is the majority shareholder, as follows:

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

Supplier	Purchases (excluding VAT)		Trade payables (including VAT)	
	2025	2024	31 December 2025	31 December 2024
Hidroelectrica	748,822,374	1,946,094,240	109,245,420	226,959,041
Complexul Energetic Oltenia	468,909,790	586,388,158	59,710,444	66,627,702
Electrocentrale București	281,529,088	261,776,064	56,726,125	23,470,481
Electrocentrale Craiova	84,576,402	76,866,279	7,849,967	5,192,071
Thermoenergy Group SA	25,945,709	29,108,309	3,809,933	2,026,538
SNGN Romgaz SA	9,525,980	21,915,957	2,744,220	2,109,309
SCE Valea Jiului SA	8,525,502	11,750,796	1,869,172	1,130,545
Nuclearelectrica	256,878	24,366,786	30,413	7,320,698
Total	1,628,091,723	2,958,266,589	241,985,693	334,836,385

Customer	Sales (excluding VAT)		Trade receivables* (with VAT)	
	2025	2024	31 December 2025	31 December 2024
Hidroelectrica	681,240,841	1,037,447,150	162,221,344	50,583,704
Complexul Energetic Oltenia	121,423,184	189,784,430	24,828,265	20,550,698
Nuclearelectrica	33,339,033	39,972,450	3,648,965	4,274,366
SNGN Romgaz SA.	16,380,444	32,580,543	3,292,556	3,566,400
Electrificare CFR SA	29,059,657	31,973,786	6,216,890	2,939,391
Electrocentrale București	20,558,659	17,715,394	4,155,386	3,899,966
SCE Valea Jiului SA	13,290,765	16,558,873	2,802,938	561,646
Electrocentrale Craiova	6,664,525	4,581,090	473,088	798,679
Total	921,957,109	1,370,613,717	207,639,431	160,779,603

*) Trade receivables are shown gross.

As described in Note 1 ("Regulatory environment"), the Company's activities are regulated by ANRE. In addition, as also set out in Note 3 (b). in accordance with the Concession Contract, an annual royalty is payable, calculated as 4/1000 of the value of gross revenues realised from electricity transmission and transit operations, through the national transmission systems, publicly owned by the State.

30. THE REMUNERATION OF THE COMPANY'S MANAGEMENT

Salaries paid to employees on Individual Labour Contract (ILC) in managerial positions for services rendered are mainly composed of basic salary, management allowance, termination and post-employment benefits, as well as fixed and variable components for members of the Management and Supervisory Boards.

These are detailed as follows:

	2025	2024
<u>Employees with an employment contract in management positions</u>		
Short-term benefits	30,633,460	28,500,104
Other long-term benefits	364,309	315,644
<u>Members of the Management and Supervisory Boards</u>		
Fixed component - short-term benefits	5,663,715	5,029,337
Variable component	-	-
Total	36,661,484	33,845,085
Mandate contract benefits (rent, transport)	326,871	138,487

By Decision no. 1 of the Ordinary General Meeting of the Shareholders of the National Electricity Transmission Company "Transelectrica" - S.A. of 28.02.2024. the appointment of the members of the Supervisory Board was approved for a term of office of 4 years, starting from 01.03.2024 and until 29.02.2028. as well as the establishment of their remuneration.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

By Decision of the Supervisory Board no. 39 of 30.09.2024. in accordance with the provisions of art. 35 paragraphs (4)-(8) and (11) of GEO no. 109/2011 on the corporate governance of public enterprises. following the completion of the selection procedure for the candidates for the positions of members of the Board of Directors of CNTEE Transelectrica SA. pursuant to art. 23 of the Articles of Association. the appointment of the members of the Board of Directors of the Company was approved as from 03.10.2024 until 29.02.2028 for a maximum period of four years. as well as to fix their remuneration.

31. FINANCIAL INSTRUMENTS

Financial risk management

The Company is exposed to the following risks arising from financial instruments: market risk (interest rate risk and currency risk), credit risk and liquidity risk. The Company's global management focuses on the unpredictability of the financial market and seeks to minimise potential adverse effects on the Company's financial performance. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments.

The company has no formal commitments to combat financial risks. However, financial risks are monitored at management level, emphasising the Company's need to effectively offset opportunities and threats.

This note discloses information about the Company's exposure to the aforementioned risks, the objectives, policies and processes related to risk measurement and management, and the Company's capital management.

Interest rate risk

The Company's operating cash flows are affected by changes in interest rates, mainly as a result of long-term foreign currency borrowings from external funding banks. The Company has long-term fixed-interest loans, which may not expose it to cash flow risk.

As at the balance sheet date, the ratio between the Company's fixed and floating rate financial instruments is shown below:

	31 December 2025	31 December 2024
Fixed interest rate financial instruments		
Financial liabilities	8,181,854	32,205,472
Variable rate financial instruments		
Financial liabilities (ROBOR 1M)	172,641,645	-

Interest rate sensitivity analysis

An interest rate depreciation of -1.00% on floating rate loans at the date of the statement of financial position would have increased the gross profit for the year by the amounts shown below. This analysis assumes that all other variables. mainly the exchange rate. remain constant.

	Profit 2025	Profit 2024
Floating rate instruments (-1%)	1,726,416	-
Total	1,726,416	-

An appreciation of +1.00% in the interest rate on floating rate loans at the date of the statement of financial position would have decreased the gross profit for the year by the amounts shown below. This analysis assumes that all other variables, especially exchange rates, remain constant.

	Loss 2025	Loss 2024
Floating rate instruments (+1%)	(1,726,416)	-
Total	(1,726,416)	-

Currency risk

The Company may be exposed to foreign exchange fluctuations through cash and cash equivalents, long-term borrowings or trade payables denominated in foreign currencies.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

The Company's functional currency is the Romanian leu. The Company is exposed to foreign exchange risk on cash and cash equivalents, purchases and borrowings realised in currencies other than the functional currency. The currencies exposing the Company to this risk are mainly EUR and USD. Borrowings in foreign currency and liabilities in foreign currency are subsequently expressed in RON at the exchange rate on the balance sheet date, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account but do not affect cash flow until the debt is settled.

The Company's exposure to currency risk, expressed in RON, was:

31 December 2025	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	733,668,904	721,776,638	11,889,886	2,380
Receivables	3,349,320,606	2,206,027,551	1,143,293,055	-
Gross exposure	4,082,989,510	2,927,804,189	1,155,182,941	2,380
Monetary debts				
Suppliers and other obligations	3,424,553,474	2,303,910,704	1,120,641,027	1,743
Loans	180,823,499	172,641,645	8,181,854	-
Gross exposure	3,605,376,973	2,476,552,349	1,128,822,881	1,743
Net exposure in the statement of financial position	477,612,537	451,251,840	26,360,060	637
31 December 2024	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	671,557,851	643,937,952	27,601,831	18,068
Trade and other receivables	3,778,692,640	2,275,448,057	1,503,222,674	21,909
Gross exposure	4,450,250,491	2,919,386,009	1,530,824,505	39,977
Monetary debts				
Suppliers and other obligations	3,886,547,321	2,315,229,022	1,571,318,299	-
Loans	32,205,472	-	32,205,472	-
Gross exposure	3,918,752,793	2,315,229,022	1,603,523,771	-
Net exposure in the statement of financial position	531,497,698	604,156,987	(72,699,266)	39,977

Trade and other receivables, as well as trade and other payables and other payables except suppliers of non-current assets are expressed in RON only.

The following exchange rates have been applied:

	Average exchange rate		Exchange rate on	
	2025	2024	31 December 2025	31 December 2024
RON/ EURO	5.0415	4.9748	5.0985	4.9741
RON/ USD	4.4705	4.6048	4.3417	4.7768

Currency risk sensitivity analysis

A 10% appreciation of the Romanian Leu against the following foreign currencies on 31 December 2025 and 31 December 2024 would be increased gross profit by the amounts shown below. This analysis assumes that all other variables remain constant.

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated)

	Profit 2025	Profit 2024
EUR	(2,636,070)	7,269,927
USD	-	-
Total	(2,636,070)	7,269,927

A 10% depreciation of the Romanian leu against the following foreign currencies on 31 December 2025 and 31 December 2024 would have had a similar but opposite effect to the above amounts, assuming that all other variables remained constant.

	Loss 2025	Loss 2024
EUR	2,636,070	(7,269,927)
USD	-	-
Total	2,636,070	(7,269,927)

 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 collection risk related to these claims is limited, as these amounts are mainly due from state-owned companies.

The maximum exposure to collection risk at the reporting date was:

	31 December 2025	31 December 2024
Financial assets		
Net trade receivables	2,410,868,696	2,578,810,809
Other net receivables and advances to suppliers	545,393,651	927,975,088
VAT recoverable	393,058,259	271,906,743
Cash and cash equivalents	733,668,904	671,557,851
Total	4,082,989,510	4,450,250,491

CNTEE TRANSELECTRICA SA

Notes to the financial statements for the year ended 31 December 2025

*(All amounts are in RON unless otherwise indicated)*Ageing statement of **receivables** at the date of the statement of financial position was:

	Gross value 31 December 2025	Adjustment 31 December 2025	Gross value 31 December 2024	Adjustment 31 December 2024
Not yet at maturity	2,312,662,158	-	2,487,412,712	-
1 - 30 days overdue	(985,597)	-	2,118,109	-
31 - 90 days overdue	1,477,310	-	292,245	-
90 - 180 days overdue	9,239,980	-	70,075	-
180 - 270 days overdue	466,985	-	(31,135)	-
270 - 365 days overdue	-	-	(8,225)	-
More than a year	212,575,676	124,567,816	212,045,959	123,088,931
Total	2,535,436,512	124,567,816	2,701,899,740	123,088,931

Ageing statement of **other receivables** at the date of the statement of financial position was:

	Gross value 31 December 2025	Adjustment 31 December 2025	Gross value 31 December 2024	Adjustment 31 December 2024
Not yet at maturity	896,775,264	330,208	1,178,585,895	330,694
1 - 30 days overdue	63,756	-	919,582	-
31 - 90 days overdue	584,750	-	4,762,786	-
90 - 180 days overdue	17,864,110	324,824	397,322	342,478
180 - 270 days overdue	6,854,954	40,790	913,317	910,870
270 - 365 days overdue	332,857	330,694	441,069	412,681
More than a year	87,739,060	70,736,325	86,766,830	70,908,247
Total	1,010,214,751	71,762,841	1,272,786,801	72,904,970

Development of **customer impairment adjustments** is as follows:

	31 December 2025	31 December 2024
Balance at 1 January	123,088,931	125,521,130
Recognition of impairment adjustments	2,255,634	-
Reversal of impairment adjustments	776,749	2,432,199
Balance at end of period	124,567,816	123,088,931

Development of **adjustments for impairment of other receivables** is presented as follows:

	31 December 2025	31 December 2024
Balance at 1 January	72,904,970	84,456,130
Recognition of impairment adjustments	1,724,837	7,303,511
Reversal of impairment adjustments	2,866,966	18,854,671
Balance at end of period	71,762,841	72,904,970

CNTEE Transelectrica SA

Notes to the financial statements for the year ended 31 December 2025

(All amounts are in RON unless otherwise indicated) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset.

A prudent liquidity risk management policy involves the maintenance of sufficient cash and cash equivalents, the availability of funding through adequate credit facilities.

	31 December 2025	31 December 2024
Assets		
Monetary assets in RON	2,927,804,189	2,919,386,009
Monetary assets in foreign currency	1,155,185,321	1,530,864,482
	4,082,989,510	4,450,250,491
Payables		
Monetary liabilities in RON	(2,476,552,349)	(2,315,229,022)
Monetary liabilities in foreign currency	(1,128,824,624)	(1,603,523,771)
	(3,605,376,973)	(3,918,752,793)
Net monetary position in RON	451,251,840	604,156,987
Net monetary position in foreign currency	26,360,697	(72,659,289)

CNTEE Transelectrica SA

Notes to the separate financial statements as at 31 December 2025

(All amounts are in RON unless otherwise indicated)

The following table shows the contractual maturity of financial liabilities, including interest payments:

31 December 2025	Net value	Contract value	< 12 months	1 – 2 years	2 – 5 years	> 5 years
Financial liabilities						
Suppliers and other obligations	(3,409,455,209)	(3,409,455,209)	(3,409,455,209)	-	-	-
Other taxes and social insurance contributions	(15,098,265)	(15,098,265)	(15,098,265)	-	-	-
Loans	(180,823,499)	(180,823,499)	(179,352,778)	(980,481)	(490,240)	-
Total	(3,605,376,973)	(3,605,376,973)	(3,603,906,252)	(980,481)	(490,240)	-
31 December 2024	Net value	Contract value	< 12 months	1 – 2 years	2 – 5 years	> 5 years
Financial liabilities						
Suppliers and other obligations	(3,868,115,571)	(3,868,115,571)	(3,868,115,571)	-	-	-
Other taxes and social insurance contributions	(18,431,750)	(18,431,750)	(18,431,750)	-	-	-
Loans	(32,205,472)	(32,205,472)	(24,287,300)	(6,483,336)	(1,434,836)	-
Total	(3,918,752,793)	(3,918,752,793)	(3,910,834,621)	(6,483,336)	(1,434,836)	-

The following table shows the contractual maturity of financial assets, including interest payments:

31 December 2025	Net value	Contract value	< 12 months	1 – 2 years	2 – 5 years	> 5 years
Financial assets						
Cash and cash equivalents	733,668,904	733,668,904	733,668,904	-	-	-
Receivables	3,349,320,606	3,349,320,606	3,349,320,606	-	-	-
Total	4,082,989,510	4,082,989,510	4,082,989,510	-	-	-
31 December 2024	Net value	Contract value	< 12 months	1 – 2 years	2 – 5 years	> 5 years
Financial assets						
Cash and cash equivalents	671,557,851	671,557,851	671,557,851	-	-	-
Receivables	3,778,692,640	3,778,692,640	3,778,692,640	-	-	-
Total	4,450,250,491	4,450,250,491	4,450,250,491	-	-	-

CNTEE Traselectrica SA

Notes to the separate financial statements as at 31 December 2025

(All amounts are in RON unless otherwise indicated) **Fair value of financial instruments**

Fair value is the amount at which the financial instrument would change in normal arm's length transactions between knowledgeable, willing parties in knowledge of objective circumstances, other than those determined by liquidation or foreclosure. Fair values are derived from quoted market prices or cash flow models, as appropriate. At 31 December 2025 and 31 December 2024, management believes that the fair values of cash and cash equivalents, trade and other receivables, trade payables, borrowings, and other short-term liabilities approximate their carrying amounts. The carrying amount of loans is the amortised cost.

31 December 2025	Book value	Fair value
Financial assets		
Net trade receivables	2,410,868,696	2,410,868,696
Other net receivables	545,393,651	545,393,651
VAT recoverable	393,058,259	393,058,259
Cash and cash equivalents	733,668,904	733,668,904
	4,082,989,510	4,082,989,510

31 December 2025	Book value	Fair value
Long-term financial liabilities		
Loans, less bonds	1,470,721	1,470,721
	1,470,721	1,470,721

31 December 2025	Book value	Fair value
Short-term financial liabilities		
Suppliers, including suppliers of non-current assets	3,396,194,304	3,396,194,304
Loans, less bonds	179,352,778	179,352,778
Amounts owed to employees and other accounts payable	28,359,170	28,359,170
	3,603,906,252	3,603,906,252

31 December 2024	Book value	Fair value
Financial assets		
Net trade receivables	2,578,810,809	2,578,810,809
Other net receivables	927,975,088	927,975,088
VAT recoverable	271,906,743	271,906,743
Cash and cash equivalents	671,557,851	671,557,851
	4,450,250,491	4,450,250,491

31 December 2024	Book value	Fair value
Long-term financial liabilities		
Loans, less bonds	7,918,172	7,918,172
	7,918,172	7,918,172

CNTEE Transelectrica SA

Notes to the separate financial statements as at 31 December 2025

*(All amounts are in RON unless otherwise indicated)***31 December 2024**

	Book value	Fair value
Short-term financial liabilities		
Suppliers, including suppliers of non-current assets	3,855,282,290	3,855,282,290
Loans, less bonds	24,287,300	24,287,300
Amounts owed to employees and other accounts payable	31,265,031	31,265,031
	3,910,834,621	3,910,834,621

Categories of financial instruments

	31 December 2025	31 December 2024
Financial assets		
Cash holdings	733,668,904	671,557,851
Receivables	3,349,320,606	3,778,692,640
Financial liabilities		
Amortised cost	3,605,376,973	3,918,752,793

 Staff risk and the pay system

At 31 December 2025, the average age of the Company's staff is high. There is a possibility that in the future, the Company may face a shortage of staff due to the departure of employees due to natural causes.

Another staffing risk is the possibility of highly qualified employees leaving for private companies, which may offer salary packages and compensation above the current level offered by the Company.

 Capital risk management

The Company's policy is to maintain a strong capital base in order to maintain a sound financial structure to enable the continued operation of operational activities and the financing of investment programmes in the transmission grid infrastructure.

The company monitors the capital structure by analysing the ratio of equity to financial liabilities and leverage ratios. This indicator is regularly analysed by management to ensure that a balanced financial structure is maintained and to facilitate access to sources of finance on appropriate terms. The Company's activity is subject to the regulatory framework established by ANRE, which defines mechanisms for establishing regulated revenues and the remuneration of capital invested on the basis of regulated assets.

Debt ratio indicator

	31 December 2025	31 December 2024
Short and long-term loans	180,823,499	32,205,472
Cash holdings	733,668,904	671,557,851
	(914,492,403)	(703,763,323)
Total debts	4,705,408,514	4,861,406,784
Equity	5,965,639,591	5,814,974,673
<i>Indebtedness</i>	<i>0.79</i>	<i>0.84</i>

32. FEES CHARGED BY EACH STATUTORY AUDITOR OR AUDIT FIRM

The fees charged for financial audit services for the financial year 2024 and paid in the year 2025 are in the amount of 1,020,000 RON (excluding VAT). services provided by PKF FINCONTA SRL.

For the financial year 2025, the fees (excluding VAT) charged by the statutory auditor, according to the contract C2303/2025 concluded with **DELOITTE AUDIT SRL**, are:

- 866,376 RON for audit services;
- for non-audit services in the amount of 477,288 RON.

They will be paid during 2026.

33. ENVIRONMENTAL OBJECTIVES

CNTEE Transelectrica SA has implemented an integrated quality, environment, occupational health and safety management system, through which it efficiently manages the environmental aspects related to the electricity transmission activity, as well as the maintenance and modernisation of the RET, to prevent pollution and increase environmental performance.

The Company's concern for environmental protection is also reflected in the Policy Statement of the integrated management system in the fields of quality, environment, occupational health and safety.

The fundamental objective of the development strategy is to fulfil the needs and expectations of its customers and other stakeholders in an Integrated Quality, Environment, Occupational Health and Safety Management System, implemented, certified, maintained and continuously improved in accordance with the requirements of SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR ISO 45001:2023.

To realise this strategy and achieve sustainable success, the Company's management is committed to ensure:

- operation of the electricity system under the conditions laid down by European and national regulations in primary and secondary legislation, to meet the needs and expectations of customers and other stakeholders;
- the organisational framework necessary for establishing, analysing and implementing the objectives of the Integrated Management System quality, environment, occupational safety and health;
- sustainable development and minimise the negative environmental impacts of RETs by:
 - ✓ identification of associated environmental issues/risks and opportunities.
 - ✓ monitoring environmental factors, preventing/combating pollution using best available technologies.
 - ✓ decontamination, ecological rehabilitation or reconstruction of land and water surfaces affected by the Company's activities.
 - ✓ preventing and reducing fluorinated greenhouse gas (GHG) emissions: SF₆, ozone, freon etc.,
 - ✓ prevention and reduction of air pollution by keeping the concentration of pollutants emitted into the atmosphere (emissions from thermal power plants and cars) within the permitted limits.
 - ✓ prevention and minimisation of water pollution by keeping the concentration of pollutants in water within permissible limits.
 - ✓ proper waste management,
 - ✓ reduce the risk of collision and electrocution of birds.
 - ✓ prevent forest fires by maintaining the safety lane.
 - ✓ avoid alteration of natural habitats, in particular protected natural areas.

At the level of CNTEE Transelectrica SA, the Integrated Management System Analysis Report is drafted annually and a programme of measures for the continuous improvement of the IMS (including the SMM) is approved.

34. SUBSEQUENT EVENTS

• *Tariff for the purchase of system services*

Based on the provisions of *the Methodology for establishing the tariff for the purchase of system services*, approved by ANRE Order no. 116/2022, CNTEE Transelectrica SA submitted to ANRE the proposal and the rationale for the tariff for the purchase of system services starting with 1 January 2026. In view of the above and following the analysis of the elements on which the tariff is based, ANRE issued Order no.73/2025, approving **the tariff for the purchase of system services applicable from 1 January 2026, in the amount of 14.70 RON/MWh.**

• *Electricity transmission tariffs*

•

Based on the provisions of *the Methodology for setting the tariffs for the electricity transmission service* approved by ANRE's Presidential Order no. 68/2024, ANRE approved by Order no. 74/2025 the values of the tariffs for the electricity transmission service valid from 1 January 2026, as shown in the tables below:

Feed-in tariff (TG)

	Tariff as of 01 January 2026 (RON/MWh), according to ANRE Order No 74/16.12.2025, of which:	Tariff component corresponding to the CPT regulated income to be recovered from producers (C CPT P) (RON/MWh)	Tariff component corresponding to the capitalised additional CPT regulatory income to be recovered from producers (C CPT S P) (RON/MWh)
Transmission grid injection tariff (T G)	3.63	3.18	0.45

CNTEE Transelectrica SA

Notes to the separate financial statements as at 31 December 2025

*(All amounts are in RON unless otherwise indicated)**Grid extraction tariff (T_L)*

	Tariff as of 01 January 2026 (RON/MWh), according to ANRE Order No 74/16.12.2025, of which:	Tariff component corresponding to nonCPT regulated income (CT _{nonCPT}) (RON/MWh)	Tariff component corresponding to the CPT regulated income recovered from final customers (C _{CPT_C}) (RON/MWh)	Tariff component corresponding to the capitalised additional CPT regulated revenue to be recovered from final customers (C _{CPT_S_C}) (RON/MWh)
Grid extraction tariff (T _L)	36.45	25.60	9.14	1.71

- Resolution No 1 of the Ordinary General Meeting of Shareholders of 08 January 2026**

The Ordinary General Meeting of the Company's shareholders, pursuant to the provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and additions, of the Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and additions, and of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and additions, held on 08 January 2026: approved the necessary legal steps to be taken by the shareholders in order to hold the shareholder's representative liable for the patrimonial responsibility, with a view to recovering the amounts paid by C.N.T.E.E. Transelectrica S.A., as a result of the vote expressed by the latter at the General Meeting of Shareholders held on 06 November 2013;

- approved the necessary legal steps to be taken by the shareholders in order to hold the shareholder's representative liable for the recovery of the amounts paid by Transelectrica S.A., following the vote expressed by the shareholder's representative at the General Shareholders' Meeting of 28 September 2020;

- approved the mandate of the legal representatives of Transelectrica S.A. in order to carry out the necessary legal steps to hold the shareholder's representative liable for the recovery of the amounts paid by C.N.T.E.E. Transelectrica S.A., as a result of the vote expressed by the latter at the General Meeting of Shareholders held on 06 November 2013;

- approved the mandate of the Company's legal representatives in order to take the necessary legal steps to hold the shareholder's representative liable for the recovery of the amounts paid by Transelectrica S.A., following the vote expressed by the shareholder's representative at the General Shareholders' Meeting of 28 September 2020.

- Military conflict in the Middle East**

Subsequent to December 31, 2025, there were escalations in geopolitical tensions in the Middle East, which generated volatility in international energy markets.

Management has assessed these developments and believes that, at the date of approval of the financial statements, they do not indicate the existence of conditions at December 31, 2025 that would require adjustment to the financial statements.

Given the dynamic nature of these events, management continues to monitor the potential impact on the company's business, including its financial position, performance and cash flows, as well as on the going concern assumption.

These events are treated as subsequent events that do not require adjustment, in accordance with IAS 10.

- Reconfirm rating**

The company informed shareholders and stakeholders that, on March 16, 2026, Moody's Ratings published the Annual Update of the Credit Opinion for C.N.T.E.E. Transelectrica S.A.

Through this report, the agency reconfirms the long-term credit rating at Baa3, while maintaining the negative outlook and the individual credit profile (BCA) at ba1.

The separate financial statements were signed by the Company's management on 18 March 2026:

BOARD OF DIRECTORS,

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

Economic and Financial Director

Ana-Iuliana DINU

Accounting Department Manager

Georgiana-Beatrice ȘTEFAN

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR 2025

To the Shareholders of
C.N.T.E.E. TRANSELECTRICA S.A.

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of C.N.T.E.E. Transelectrica S.A. and its subsidiaries (hereafter the "Group") as at December 31, 2025 and for the period from January 1, 2025 to December 31, 2025 (the "Consolidated Sustainability Statement"), prepared by Group, with social premises of the Parent registered in Romania, Address Strada Olteni, nr. 2-4, București, sectorul 3, Fiscal Identification Number RO 13328043, Trade Register number J40/8060/2000.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement of the Group is not prepared, in all material respects, in accordance with MF Order 2844/2016, Chapter 7, section 7.3 implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in Chapter I, ESRS 2 – „Presentations of general information” and
- compliance of the taxonomy disclosures detailed in the Consolidated Sustainability Statement, chapter 3 – “EU Taxonomy”, with the applicable reporting requirements of Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Auditor's Responsibilities* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Matters

The Consolidated Sustainability Statement for the year ended December 31, 2024, was the subject of limited assurance procedures performed by another practitioner, who issued an unmodified opinion on March 21, 2025.

Identification of Applicable Criteria

The Consolidated Sustainability Statement was prepared by the Administrators of the Group in order to satisfy the requirements of Ministry of Public Finance Order 2844/2016, Chapter 7, section 7.3 implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement is in accordance with the description set out in Chapter I, ESRS 2 – „Presentations of general information”; and

- compliance of the taxonomy disclosures detailed in the Consolidated Sustainability Statement, chapter 3 – “EU Taxonomy” with the applicable reporting requirements of Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The criteria, nature of the Consolidated Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, the Administrators of the Group are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, the Administrators of the Group interpret undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

We draw your attention to the following specific limitations discussed in the Consolidated Sustainability Statement:

- Environmental reporting as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts. For the avoidance of doubt, the scope of our engagement and our responsibilities will not include performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.
- Any supply chain emissions metrics listed in the Consolidated Sustainability Statement may include information provided by suppliers and third-party sources. Our procedures will not include obtaining assurance over the information provided by suppliers or third parties.
- The Consolidated Sustainability Statement may include metrics that are derived from reported events relating to employees and subcontractors. As such, our testing may not identify misstatements relating to completeness, for example in instances where events may have occurred but have not been reported.

Responsibility of the Administrators of the Group

Administrators of the Group are responsible for designing, implementing, and maintaining a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process Chapter I, ESRS 2 – „General information presentations”; of the Consolidated Sustainability Statement.

This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

Administrators of the Group are further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Ministry of Public Finance Order 2844/2016, Chapter 7, section 7.3 implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the taxonomy disclosures presented in the Consolidated Sustainability Statement, chapter 3 – “EU Taxonomy” in compliance with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”);
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group’s sustainability reporting process.

Auditor’s Responsibility

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group’s description of its Process, as disclosed in Chapter I, ESRS 2 – „General information presentations”.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the entity’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “Code”), together with the ethical requirements that are relevant to our assurance engagement of the Consolidated Sustainability Statement in Romania, including Law 162/2017 with subsequent amendments, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group’s internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in Chapter 1, ESRS 2 – „Presentations of general information”.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
 - performing inquiries to understand the Group’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;

- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Ioana Alina Mirea, Partner de audit

*For signature, please refer to the original
Romanian version.*

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under number AF 1504*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under number FA 25*

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 23, 2026

**CONSOLIDATED SUSTAINABILITY
REPORT
OF CNTEE TRANSELECTRICA S.A.
2025**

TABLE OF CONTENTS

Foreword	A message from the Board Statement by the responsible persons	p. 3 p. 6
Chapter I	ESRS 2 – Presentation of general information 1. General framework for preparing the sustainability report 2. Presentations of information relating to specific circumstances 3. Governance 4. Strategy, business model and value chain 5. The interests and views of stakeholders 6. Significant impacts, risks and opportunities, and how they interact with the strategy and business model 7. Managing impacts, risks and opportunities	p. 7 p. 7 p. 11 p. 37 p. 50 p. 59 p. 54 p. 68
Chapter II	ESRS E1 – E5 – Environmental aspects 1. Climate change: transition plan, policies, actions, targets, financial implications 2. Pollution: policies, actions, targets, reduction measures, financial implications 3. Conserving biodiversity and protecting ecosystems: transition plan, policies, actions, targets, financial implications 4. Resource use and the transition to a circular economy: policies, actions, targets, financial implications	p. 106 p. 106 p. 145 p. 153 p. 165
Chapter III	EU taxonomy (in accordance with the ESRS and EU Regulation 2020/852) (ESRS E1 – E5)	p. 179
Chapter IV	ESRS S1–S4 – Social Responsibility 1. In-house workforce 2. Workers in the value chain 3. Affected communities	p. 191 p. 191 p. 223 p. 233
Chapter V	ESRS G1 – Governance issues 1. Professional conduct	p. 247 p. 247

A message from the Board – our commitment to sustainability

Dear shareholders, investors and partners,

In 2026, Transelectrica will mark nine years since the publication of its first non-financial report, consolidating a tradition of transparency and accountability in reporting on its sustainability performance. For seven consecutive years, the Company has published its Sustainability Report in accordance with the international GRI (Global Reporting Initiative) standards, reflecting its ongoing commitment to open, rigorous communication that is aligned with best practice in the field.

This report, covering the 2025 financial year, represents the second reporting period in accordance with the requirements of Directive (EU) 2022/2464 – transposed into national law by Ministry of Finance Order No. 85/2024 – and the European Sustainability Reporting Standards (ESRS). This development reflects Transelectrica's commitment to incorporating the requirements of a complex and coherent regulatory framework, capable of highlighting in a structured manner the economic, social and environmental impact of its activities and its concrete contribution to achieving the European objectives regarding the transition to a sustainable economy.

The 2025 reporting year therefore marks the consolidation of the transition to the new European regulatory framework on sustainability, established by Directive (EU) 2022/2464. This is also the second year in which the Report has been subject to a compliance audit. These initiatives underscore the Company's firm commitment to transparency, rigour and alignment with the European Union's strategic objectives in the areas of sustainability and responsible finance.

Against the current backdrop of the energy transition and European regulatory requirements, Transelectrica's strategic role as Romania's sole transmission system operator is of increasing importance in ensuring the security and stability of the national electricity system. Adopting a sustainable development model, in line with European standards and the latest legislative directives, is a priority in order to address the complex challenges of the energy transition.

The contemporary view of modern life involves key processes in which electricity plays a fundamental role in economic development and social well-being. Through our mission, we contribute not only to the country's energy security, but also to improving quality of life and to the transition towards a sustainable economy, in line with European sustainable development goals.

Preparing a sustainability report in accordance with the new reporting framework is a key responsibility for any company seeking to demonstrate transparency, integrity and commitment to the principles of sustainable development. This initiative meets legal requirements and helps to build trust among stakeholders – including investors, authorities, employees and local communities – whilst also positioning Transelectrica as a responsible leader in its sector. In this context, through a tailored action plan, Transelectrica is integrating compliance requirements into

the Company's strategy and operations, contributing to long-term sustainable development and supporting the transition to a sustainable and resilient business model.

Compliance with the European Sustainability Reporting Standards (ESRS). Transelectrica is strengthening its reporting processes by fully aligning with the European Sustainability Reporting Standards (ESRS), adopting an integrated approach to the social, environmental and economic impact of the Company's activities. Our reporting highlights the dual significance of the data – its relevance both to decision-makers within the Company and to stakeholders. This initiative reflects our commitment to the ambitious targets set out in the European Green Deal and the 'Fit for 55' initiative, demonstrating our determination to support the transition to a greener and more sustainable future through transparency, accountability and operational excellence.

(E) Environment – Investment in infrastructure and green technologies. The strategic objectives set by Transelectrica for the period 2024–2028 aim to improve the Company's performance and enhance the efficiency of its operational activities in its role as Romania's transmission and system operator. In order to achieve these objectives, a major investment programme in the electricity transmission network infrastructure is required, involving the deployment of low-carbon and energy-efficient technologies. To support the energy transition, the European Union has made funding mechanisms available for the development and modernisation of the energy sector. To this end, over the past three years, Transelectrica has taken a proactive approach and initiated specific procedures to access European funds allocated to energy infrastructure. To date, the Company has signed 11 funding agreements under the Upgrade Fund, totalling €537 million, a funding agreement under Romania's Recovery and Resilience Plan (PNRR) – REPowerEU Chapter, worth a total of €52 million, and a financing agreement under the Sustainable Development Programme (PDD), worth a total of €50 million. With a total value of €639 million, this funding will be used to carry out projects to modernise and expand the electricity transmission network in line with the latest performance standards. Information regarding this funding is available on the Company's website, in the section dedicated to the Upgrade Fund (<https://www.transelectrica.ro/web/tel/fondul-pentru-modernizare>).

The sustainability report highlights both the Company's commitment to accelerating sustainable and long-term processes in the energy sector and to gradually achieving the European climate neutrality targets for 2030 and 2050.

(S) Social – Commitment to social responsibility. By promoting diversity, equity and equal access to opportunities, Transelectrica aims to be a force for positive change in society. The company is committed to an ambitious set of goals designed to promote sustainable development and lay the foundations for a fair and responsible economy. To this end, Transelectrica is actively involved in supporting initiatives that assist local communities and promote inclusion, education and wellbeing. Through its CSR activities, the Company is committed to investing in social programmes to support the younger generation and nurture talent, whilst also strengthening strategic partnerships designed to create a sustainable, long-term impact.

(G) Corporate governance. Transelectrica adheres to corporate governance standards appropriate for a company listed on the regulated market of the Bucharest Stock Exchange. The implementation of standards leads to a transparent and well-founded decision-making process. At the same time, the Company reaffirms its commitment to the community and sustainability by integrating social and environmental objectives into its business strategy, thereby contributing to the sustainable and responsible development of the energy sector's future.

In the current climate, the adoption and implementation of clear mechanisms for monitoring progress and consistent reporting to stakeholders will strengthen transparency and trust, and ensure that we fulfil our responsibilities. This commitment is underpinned by a robust governance framework and the pursuit of economic development opportunities through sustainability.

Transelectrica reaffirms its commitment to upholding ESG principles, placing sustainability, social responsibility and corporate governance at the heart of the Company's long-term development strategy. Through concrete initiatives and transparent reporting, the Company actively contributes to the transition towards a sustainable energy system, supports the development of local communities and ensures governance based on integrity and performance. As a responsible leader and trusted partner in the energy sector, Transelectrica adheres to the highest international standards and has a vital strategic mission: to ensure the safety of the National Electricity System, thereby laying the foundations for a sustainable future.

THE MANAGEMENT BOARD

Ștefăniță MUNTEANU
Chairman of the Board

Cătălin Constantin
NADOLU
Board Member

Vasile-Cosmin NICULA
Board Member

Florin Cristian TĂTARU
Board Member

Statement by the responsible persons

Transelectrica's 2025 Sustainability Report, prepared in accordance with the European sustainability reporting standards (ESRS – European Sustainability Reporting Standards), fully complies with the requirements of Directive (EU) 2022/2464, transposed into national law by Order of the Ministry of Public Finance No. 85/2024, as well as the provisions of the Taxonomy Regulation (EU) 2020/852. This report provides a detailed, accurate and truthful overview of the Company's sustainability performance, accurately reflecting the social, environmental and economic impact of its activities. At the same time, the document underscores Transelectrica's commitment to transparency and accountability, highlighting the measures implemented to support sustainable development and help consolidate the Company's position as a leader in the sustainable energy transition.

THE MANAGEMENT BOARD

Ștefăniță MUNTEANU
Chairman of the Board

**Cătălin Constantin
NADOLU**
Board Member

Vasile-Cosmin NICULA
Board Member

Florin Cristian TĂTARU
Board Member

CHAPTER I

ESRS 2

Presentations of general information

1. General guidelines for preparing the sustainability report (BP-1)

Compliance with European legislation and regulations. The National Electricity Transmission Company “Transelectrica” S.A. (hereinafter “Transelectrica”, “the Company”) is publishing its ninth Sustainability Report (hereinafter also referred to as “the Report”) for the period 1 January to 31 December 2025. The 2025 reporting year marks the second year of compliance with the new regulatory framework established by Directive (EU) 2022/2464¹, which strengthens sustainability reporting requirements and aligns them with the European Sustainability Reporting Standards (ESRS)² (European Sustainability Reporting Standards).

In this regard, the Transelectrica Group’s Sustainability Report for the 2025 reporting year has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS). These standards provide a common, structured and transparent framework for presenting information on the impacts, risks and opportunities associated with sustainability issues, ensuring that reporting is aligned with the European Union’s requirements on transparency and corporate accountability. Furthermore, the Sustainability Report complies with the provisions of Regulation (EU) 2020/852 on taxonomy with regard to the assessment of the Company’s economic activities’ contribution to the environmental objectives set at European level. Through this approach, the reporting provides a coherent basis for understanding how Transelectrica integrates sustainability considerations into its operations and for assessing the progress made towards aligning with relevant European policies and initiatives, including the European Green Deal and the ‘Fit for 55’ legislative package.

The Sustainability Report serves as a key reference document through which the Transelectrica Group presents, in a structured and transparent manner, its performance in the ESG areas (environmental, social and governance), as well as how the principles of sustainable development are integrated into the Group’s operations. The reporting process enables a coherent presentation of the results achieved and the initiatives implemented, providing stakeholders with a clear overview of the impacts, risks and opportunities associated with the activities carried out.

Through this approach, the Report highlights Transelectrica’s contribution to energy transition objectives, environmental protection, community relations and the implementation of sound corporate governance practices. Adherence to best reporting practices helps to strengthen a framework of accountability and transparency, reflecting how sustainability considerations are taken into account in both the Group’s strategic processes and day-to-day operations.

Methodology and structure. The report is structured to provide a coherent and comprehensive overview of the economic, social and environmental impacts associated with the activities carried out by the Transelectrica Group. Its content is prepared in accordance with the principles of relevance, comparability, accuracy and transparency, ensuring the consistency of the reported information and its usefulness to stakeholders.

¹ Directive (EU) 2022/2464 on corporate sustainability reporting, known as the Corporate Sustainability Reporting Directive (CSRD), has been transposed into national law by Ministry of Finance Order No. 85/2024 (OMF 85/2024).

² Set out in detail in Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards.

The process of collecting and consolidating data is based on internal mechanisms designed to ensure the reliability, traceability and integrity of the information presented. The ESG indicators included in the report were selected following a double materiality analysis (DMA), which identified high-priority issues for the Company and its main stakeholder groups, thereby supporting an approach focused on impact, results and informed decision-making.

Consolidated sustainability statements. As at 31 December 2025, the Transelectrica Group's scope of consolidation includes two subsidiaries included in the consolidated financial statements, namely the Company for Telecommunications and Information Technology Services in Electricity Transmission Networks "TELETRANS" S.A. (Teletrans) and the Company for Maintenance Services of the Electricity Transmission Network "SMART" S.A. (Smart). These entities are consolidated in the Group's financial reporting, reflecting their operational contribution in the areas of electricity transmission infrastructure maintenance and IT&C/telecommunications services related to transmission networks.

The subsidiary, the Electricity and Natural Gas Market Operator "OPCOM" SA (Opcom) is not included in the scope of consolidation, as it operates under a management regime regulated by ANRE, and Transelectrica does not exercise direct effective control over its decision-making mechanisms.

Consequently, the Sustainability Report is prepared on a consolidated basis at Group level, in accordance with the requirements of the ESRS Standards, with the scope of consolidation aligned with that used for the consolidated financial statements.

Coverage of the value chain in the sustainability statement. The sustainability report covers the upstream and downstream value chain to the extent that the related activities, commercial and operational relationships generate significant impacts, risks or opportunities from an environmental, social and governance perspective, as identified through the double materiality analysis carried out in accordance with the ESRS Standards. The upstream value chain mainly comprises equipment and service providers, as well as subcontractors involved in the operation, maintenance and development of the electricity transmission infrastructure.

The downstream value chain consists of the provision of electricity transmission, system operation and balancing services to distribution operators and other energy market participants, with end users being regarded as indirect beneficiaries of these services, in accordance with Transelectrica's role as transmission and system operator. Coverage of the value chain is provided in proportion to the Group's level of control, influence and access to information, and any limitations are set out in the relevant sections of the Report.

Exceptions. The Group has not made use of the option to omit information relating to intellectual property, know-how or the results of innovation, nor has it made use of the exemption regarding the disclosure of information on imminent developments or matters under negotiation, as provided for in Article 19a(3) and Article 29a(3) (3) of Directive 2013/34/EU.

Audit of the Sustainability Report. The reporting process for the 2025 financial year includes the continuation of the independent verification of sustainability information, marking the second consecutive year in which this process has been subject to a formal external assessment. The purpose of this stage is to assess the consistency and coherence of the data provided, as well as the mechanisms used to collect and consolidate it, in relation to the applicable requirements.

The assessment carried out by an independent third party helps to strengthen the Group's framework for transparency and accountability and provides stakeholders with an additional level of confidence regarding the accuracy and consistency of the information disclosed.

Overall, the framework for drafting this document reflects how environmental, social and governance (ESG) considerations are integrated into the Transelectrica Group's day-to-day operations and decision-making processes, in accordance with European sustainability reporting standards. The information presented is structured in such a way as to facilitate an understanding of the relevant impacts, risks and opportunities associated with the activities carried out, in line with the European Union's objectives regarding the energy transition and climate neutrality.

2. Presentations of information relating to specific circumstances (BP-2)

Changes to the preparation or presentation of sustainability information. Specific circumstances. From 2024, the Transelectrica Group has adopted the new European sustainability reporting framework, in accordance with the provisions of Directive (EU) 2022/2464 and Delegated Regulation (EU) 2023/2772, which establish the European Sustainability Reporting Standards (ESRS). This alignment marked a paradigm shift in the way non-financial information is prepared and presented, replacing the previous format, which had been used for seven consecutive years, based on the Global Reporting Initiative (GRI) international standards.

The report for the 2025 financial year marks the second year of reporting under the ESRS and reflects the strengthening of internal processes for the collection, validation and governance of sustainability data. As a result of this transition, certain information is presented in a different format from previous reports, and comparability with prior periods may be limited for certain indicators, particularly those for which the ESRS requirements differ substantially from the approaches used previously.

An additional specific circumstance relating to the 2025 reporting period is the change of the auditor responsible for verifying the sustainability information. This change has led to methodological adjustments, including changes to the way in which certain indicators, such as the carbon footprint, are calculated or estimated, as a result of the application of different interpretations or verification procedures. Where such adjustments affect the presentation, comparability or level of detail of the reported information, they shall be explicitly disclosed and explained in the relevant sections of the report, to ensure a proper understanding of the changes that have taken place.

Specifically, the differences between the initial carbon footprint figure for 2024 and the recalculated figure for 2024 are due to changes in the methodology and the calculation factors/indices used, and do not in themselves reflect a change in operational activity during the reference period.

Time horizon. When preparing the Sustainability Report, the Transelectrica Group adopts a clearly defined timeframe for analysing and reporting on sustainability issues, in line with the Group's financial and strategic practices. Consequently, for the short-term time horizon, the reporting period used in the entity's financial statements is applied. The medium-term time horizon covers the period from the end of the short-term reporting period and extends up to five years. The long-term timeframe includes any projections and targets extending beyond this five-year period, reflecting Transelectrica's long-term sustainability commitments and strategies. This

approach ensures the consistency and comparability of the reported information, facilitating the integration of sustainability objectives into Transelectrica's strategic planning.

Notwithstanding these definitions, for certain specific energy efficiency measures, the Transelectrica Group applies timeframes tailored to the nature of the investments and the associated implementation cycles. In this context, the medium-term timeframe is set at between 2 and 3 years, corresponding to the time required to implement and assess the effectiveness of the projects, whilst the long-term timeframe is defined as between 3 and 6 years, taking into account the technical complexity, the lifespan of the assets and the gradual impact of these investments on operational and energy performance. This approach applies exclusively to these measures and does not affect the use of standard ESRS definitions for the other reporting areas.

Value chain analysis. At present, the Transelectrica Group does not have a formalised methodology for collecting and estimating data relating to the upstream and downstream value chain. Where estimates are required, these are based on indirect sources and reasonable assumptions, with the level of accuracy being influenced by the availability of data. The Group aims to progressively improve the accuracy of the information reported as the ESRS framework and internal processes mature.

At the same time, the Transelectrica Group intends to gradually develop a methodology for estimating value chain data, based on the principles of proportionality, prudence and transparency, without affecting the comparability of current reporting.

With regard to Scope 3 emissions and the categories included in Scope 3, the reported figures are estimates based on databases and calculation factors, without the collection of primary data directly from actors in the value chain; the approach applied and the sources used are set out in detail in Chapter II – ESRS E1.

Sources of uncertainty in estimates and results. As part of the sustainability reporting process, certain quantitative information is determined on the basis of estimates and assumptions that involve an inherent degree of uncertainty. In the context of limited assurance, these estimates are based on judgements considered reasonable at the reporting date and on the information available, without seeking to achieve a level of precision comparable to that associated with reasonable assurance. Consequently, the reported results may be subject to change in future periods as a result of changes to assumptions, data sources or the methodologies used. Further details on the methodologies and assumptions used for climate indicators (including GHG emissions) are set out in Chapter II – ESRS E1.

The disclosure of information arising from other legislation or generally accepted sustainability reporting standards

As Romania's sole transmission and system operator, and a company listed on the Bucharest Stock Exchange (BVB), Transelectrica operates within a strictly regulated framework that requires compliance with numerous national and European legislative acts. The Transelectrica Group is also aligning its reporting with international best practices, thereby enhancing the transparency and comparability of its ESG performance. This integrated approach reflects the Group's commitment to providing relevant and reliable information to investors, regulators and other stakeholders, demonstrating its responsibility in the transition towards a sustainable, efficient and resilient energy system.

Accordingly, the applicable standards and legislation specific to the Transelectrica Group's field of activity are incorporated and presented in the Sustainability Report, where relevant. These include both national regulations and the European directives and regulations applicable to the energy sector, corporate governance and sustainability reporting, ensuring compliance with legal requirements and transparency towards stakeholders.

Including information via links

The Transelectrica Group's Sustainability Report includes references to supplementary documents and relevant sources, where necessary, to provide a detailed context and a better understanding of the information presented. The report also refers to other relevant thematic standards, particularly in the environmental, social and governance (ESG) areas, thereby ensuring full alignment with the ESRS requirements and sector-specific regulations for the energy sector. This approach enables stakeholders to access comprehensive information and conduct an in-depth analysis of the Group's sustainability performance.

Application of the transitional provisions in accordance with ESRS 1

In the 2025 financial year, the Transelectrica Group applies the provisions of Delegated Regulation (EU) 2025/1416³, which amends Delegated Regulation (EU) 2023/2772, including the phased-in timetable set out in Appendix C to ESRS 1, and shall apply, where permitted, the transitional provisions regarding the temporary omission of disclosures for the thematic standards listed as the 'List of disclosure requirements that are phased in'.

For the sake of transparency and ease of tracking, the disclosure requirements that are being phased in and the application of transitional provisions will be explicitly highlighted within each relevant section/requirement of the report (where applicable), through appropriate notes and cross-references, so that readers can quickly identify the deferred items, the level of detail available and how these will be progressively completed in future reporting periods.

3. Governance (GOV 1–5)

The role of administrative, management and supervisory bodies (GOV-1)

Transelectrica is a Romanian legal entity, incorporated as a public limited company governed by a dual board structure comprising a Management Board, under the supervision of a Supervisory Board, in accordance with Companies Act No. 31/1990⁴, with all the Company's activities being conducted in compliance with the principles of corporate governance and the regulations specific to entities listed on the Bucharest Stock Exchange. With regard to the regulation of activities, this is carried out, on the one hand, pursuant to primary legislation, with the Company conducting its business in accordance with the Electricity and Natural Gas Act No. 123/2012⁵, and, on the other hand, on the basis of secondary legislation issued by ANRE – taking the form of licences, establishment authorisations, tariff methodologies (such as revenue cap for transmission and cost-plus for system operation, tariffs, framework contracts, procedures and others).

³ Delegated Regulation (EU) 2025/1416 amending Delegated Regulation (EU) 2023/2772 as regards the postponement of the date of application of the reporting requirements for certain undertakings.

⁴ The Companies Act No. 31/1990 sets out the general legal framework governing the operation of Transelectrica as a public limited company.

⁵ The Electricity and Natural Gas Act No. 123/2012 regulates the organisation and operation of the national energy sector, setting out the specific responsibilities of the transmission system operator (TSO).

Since 29 August 2006, the shares issued by Transelectrica have been traded on the regulated market administered by the Bucharest Stock Exchange, in the Premium category, under the ticker symbol TEL. In this context, the Company applies the transparency and disclosure standards applicable to the capital market, including the principles of the BVB Corporate Governance Code; the statement of compliance with these standards is reviewed annually and included in Transelectrica's Annual Report.

In accordance with the legal framework and the Company's articles of association, the Company's governance structure comprises three bodies: The Management Board (executive management body), the Supervisory Board (supervisory and control body) and the General Meeting of Shareholders (deliberative and decision-making body).

The Board. According to the Memorandum of Association, the Management Board consists of five members, appointed by the Supervisory Board for a term of four years, following a selection procedure. Supervisory Board has decided, by Decision No. 39 of 30 September 2024, to appoint the following persons to the positions of members of the Transelectrica Management Board, with effect from 3 October 2024: Victor Moraru, Ștefăniță Munteanu, Cătălin Constantin Nadolu, Vasile Cosmin Nicula and Florin-Cristian Tătaru. At the same time, the Supervisory Board appointed Mr Ștefăniță Munteanu as Chairman of the Management Board also known as and Chief Executive Officer – “CEO” – of Transelectrica.

Following the completion of the recruitment and selection process for candidates for the positions of members of the Supervisory Board and members of the Management Board, in accordance with legal provisions, the General Ordinary Shareholders Meeting approved, by General Ordinary Shareholders Meeting Resolution No. 1/15 January 2025, the key performance indicators resulting from the Management Plan adopted by the Company's two statutory bodies. Furthermore, by Decision No. 13 of 22 December 2025, the General Shareholders Meeting approved the amendment of the key performance indicators following the provisions of Law No. 158/2025 amending and supplementing Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises.

Throughout their term of office as members of the Company's Supervisory Board or Management Board, appointees must meet the eligibility criteria and must not be in any of the situations of incompatibility set out in the applicable law or the relevant provisions of the Articles of Association. In connection with this obligation, the Company is entitled to request from the members of the Board/Management Board such reasonable assurances as are necessary regarding compliance with these obligations.

The composition and diversity of the Management Board

	2024	2025
Number of members holding executive positions	5	5
Number of non-executive members	Not applicable	Not applicable
The percentage of board members in leadership roles	100%	100%
The gender breakdown of the Board (calculated as the average ratio of female to male members of the Board)	5 men (0% women)	5 men (0% women)
The percentage of independent members of the Management Board	Not applicable	Not applicable

The expertise and skills of the members of the Management Board

No. it.	Name	Position	Experience relevant	Date Of appointment	Articles of association
1.	Ștefăniță MUNTEANU	Chairman Management Board	- Bachelor's degree from the Faculty of Management and Marketing at the Romanian-American University - Experience in management, the energy sector, marketing, sales and strategy - Experience in managing and coordinating initiatives and projects aimed at strengthening organisational culture and optimising internal processes of operation	3 October 2024 - 29 February 2028	Supreme Court Decision No. 39 of 30 September 2024
2.	Florin Cristian TĂTARU	Member Management Board	- Graduate of the Faculty of International Economic Relations – ASE - Master's Degree – Health System Management, University of Bucharest, Faculty of Sociology and Social Work - Master's degree – Public Policy and European Integration, SNSPA, Faculty of Political Science - Master's degree – Banking and Capital Markets, Babeș-Bolyai University, Cluj-Napoca - MBA in Energy, ASE - Experience in banking, finance and management, public and corporate finance, public policy, the energy sector, European affairs, and leadership	3 October 2024 - 29 February 2028	Supreme Court Decision No. 39 of 30 September 2024
3.	Cătălin Constantin NADOLU	Member Management Board	- Bachelor of Laws – Faculty of Law, “A.I.Cuza” Police Academy, Bucharest - Master's degree – European Public Administration, SNSPA, Faculty of Public Administration - Professional experience in local and central government, as well as managerial experience and skills in areas of strategic importance within the energy sector – investment, technical operations or maintenance of electricity transmission networks	3 October 2024 - 29 February 2028	Supreme Court Decision No. 39 of 30 September 2024
4.	Victor MORARU	Member Management Board	- Bachelor of Laws, “Nicolae Titulescu” University - Master's degree – Business Law, “Nicolae Titulescu” University - Professional experience in local and central government	3 October 2024 - 29 February 2028	Supreme Court Decision No. 39 of 30 September 2024
5.	Vasile Cosmin NICULA	Member	- Bachelor's degree in Finance, Accounting and Administration, Bucharest University of Economic Studies (ASE), Faculty of Finance,		Supreme Court Decision No. 39

No. it.	Name	Position	Experience relevant	Date Of appointment	Articles of association
		Management Board	Insurance, Banking and Stock Exchanges - Specialisation in Public Organisation Management, West University, Timișoara - PhD in Economics, Bucharest University of Economic Studies Experience in executive management, public administration, budgetary and fiscal legislation, and international relations - Tax consultancy and tax assessments, management duties at the Romanian Court of Auditors	3 October 2024 - 29 February 2028	of 30 September 2024
		CFO from 8 November 2024			

**The CVs of the members of the Management Board can be found on the Company's website, under the 'About Us – Management Board' section (<https://www.transelectrica.ro/web/tel/directorat>).*

Supervisory Board. According to the Memorandum of Association, the Supervisory Board consists of seven members⁶, appointed following a selection process, for a term of four years. The members of the Supervisory Board are appointed by the General Meeting of Shareholders, in accordance with the provisions applicable to companies admitted to trading, and are selected in accordance with the provisions of Government Emergency Ordinance No 109/2011 on the corporate governance of public enterprises. The Ordinary General Meeting of Shareholders appointed, by Resolution No. 1 of 28 February 2024, the following persons as members of the Supervisory Board for a term of four years, commencing on 1 March 2024 and ending on 29 February 2028: Păun Costin-Mihai, Atanasiu Teodor, Vasilescu Alexandru-Cristian, Zezeanu Luminița, Dascăl Cătălin-Andrei, Orlandea Dumitru-Virgil, Rusu Rareș Stelian.

The composition and diversity of the Supervisory Board

	2024	2025
Number of members holding executive positions	0	0
Number of non-executive members	7	7
The proportion of Board members with supervisory responsibilities	100%	100%
The gender breakdown of the Supervisory Board (calculated as the average ratio of female to male members of the Supervisory Board)	14.29% women 85.71% men	14.29% women 85.71% men
The percentage of independent members of the Supervisory Board	6 out of 7 – (85.71%)	6 out of 7 – (85.71%)

The expertise and skills of the members of the Supervisory Board

No. it.	Name	Position	Experience relevant	Term of office	Articles of association
1.	Cătălin Andrei DASCĂL	SB Chairman	- Bachelor of Laws - Legal experience in the public sector and the private sector - Lawyer and insolvency practitioner	1 March 2024 - 29 February 2028	Resolution of the General Meeting of Shareholders

⁶ The Chair of the Supervisory Board is elected by its members.

No. it.	Name	Position	Experience relevant	Term of office	Articles of association
					No. 1 of 28 February 2024
2.	Costin Mihai PĂUN	SB member	- PhD in Electrical Engineering, graduate of the Polytechnic University of Bucharest, Faculty of Power Engineering - Master's in Business Administration – Financial and Banking Management - Experience gained in roles within the energy sector, both nationally and internationally, in the fields of electricity transmission, distribution and generation - Experience in designing, managing and implementing European and international projects (in the energy sector) He has contributed to new solutions in innovation and scientific research initiatives.	1 March 2024 – 29 February 2028	Resolution of the General Meeting of Shareholders No. 1 of 28 February 2024
3.	Teodor ATANASIU	SB member	- Graduate of the Faculty of Mechanical Engineering at the Polytechnic Institute of Cluj-Napoca - Experience in the fields of management and finance, competitiveness management and customer relationship management	1 March 2024 – 29 February 2028	Resolution of the General Meeting of Shareholders No. 1 of 28 February 2024
4.	Alexandru Cristian VASILESCU	SB member	- Licență ca inginer constructor al Universității Tehnice de Construcții, București - Master's degree in Construction Project Management, PhD candidate at the Polytechnic University of Bucharest - Experience in advisory and management roles within the public sector	1 March 2024 – 29 February 2028	Resolution of the General Meeting of Shareholders No. 1 of 28 February 2024
5.	Luminița ZEZEANU	SB member	- Graduate of the Faculty of Accounting and Management Information Systems at the Bucharest University of Economic Studies - Postgraduate studies – International Business at London Metropolitan University, UK - Experience in developing and securing funding for projects through European funds and in the field of public administration	1 March 2024 – 29 February 2028	Resolution of the General Meeting of Shareholders No. 1 of 28 February 2024
6.	Dumitru Virgil ORLANDEA	SB member	- Graduate of the “Carol I” National Defence University, Bucharest, College of Resource and Procurement Management, “Lucian Blaga” University of Sibiu - Master's degree in Tourism and Services Integration - Master's degree in Management and Marketing Strategies and Policies – Faculty of Economics. - Master's degree in Human Resource Management within the Law Enforcement System – “Al.I.Cuza” Police Academy, Bucharest - Experience in the energy sector	1 March 2024 – 29 February 2028	Resolution of the General Meeting of Shareholders No. 1 of 28 February 2024
7.	Rareș Cristian RUSU	SB member	- Bachelor's degree in Political Science from the Faculty of Political Science and Public Administration at Babeș-Bolyai University, Cluj-Napoca - Bachelor's degree in Law from the Faculty of Law at “Dimitrie Cantemir” University, Cluj-Napoca - Master's degree in Energy Engineering from the Technical University of Cluj-Napoca - Management experience, experience in central and local government	1 March 2024 – 29 February 2028	Resolution of the General Meeting of Shareholders No. 1 of 28 February 2024

*The CVs of the members of the Supervisory Board can be found on the Company's website, in the 'About Us' section – Supervisory Board (<https://www.transelectrica.ro/web/tel/consiliu-de-supraveghere>).

The Supervisory Board has the exclusive role of supervising and monitoring the management of the Company by the Management Board, and its responsibilities include:

- (a) exercises control over the way in which the Management Board manages the Company;
- (b) reviews the income and expenditure budget and the investment programme for the financial year to be approved by the general meeting of shareholders;
- (c) carries out any duties laid down by the relevant specific legislation governing the administration of public enterprises;
- (d) determines the composition and number of members of the Management Board;
- (e) appoints and dismisses the members of the Management Board and determines their remuneration;
- (f) verifies that the activities carried out in the name and on behalf of the Company comply with the law, the articles of association and the resolutions of the general meeting of shareholders;
- (g) submit a report on the supervisory activities carried out to the general meeting of shareholders at least once a year;
- (h) represents the Company in its dealings with the Management Board;
- (i) approves the Management Board's internal rules;
- (j) audits the Company's financial statements;
- (k) examines the report of the members of the Management Board;
- (l) proposes to the general meeting the appointment and dismissal of the auditor, as well as the minimum duration of the audit contract.

Furthermore, in accordance with the Company's Memorandum of Association, certain transactions may only be carried out with the Board's approval.

The Supervisory Board comprises the Audit Committee, the Nomination and Remuneration Committee, the Investment and Energy Security Committee, and the Risk Management Committee.

The Audit Committee assists the Supervisory Board in fulfilling its responsibilities in the areas of financial reporting, internal control and risk management. With regard to its responsibilities relating to financial reporting and statutory audit, the Audit Committee: monitors the financial reporting process at Company level and the statutory audit of the annual financial statements (including the consolidated financial statements); reviews the effectiveness of financial reporting, and supports the Board in monitoring the reliability and integrity of the financial information provided by the Company (including the consolidation criteria). With regard to its responsibilities relating to internal management control, the Audit Committee: monitors the effectiveness of the Company's internal control, internal audit and risk management systems; regularly reviews the effectiveness of internal control and the risk management system; proposes to the Board the control, verification and reporting procedures necessary to exercise essential oversight of the way in which the Management Board runs the Company; verifies compliance with non-financial reporting obligations at Company level.

The Nomination and Remuneration Committee makes proposals for the appointment of members of the Supervisory Board and members of the Management Board; it draws up and submits proposals to the Supervisory Board regarding the selection procedure for members of the Supervisory Board, members of the Company's Management Board and other management positions; it makes proposals regarding the remuneration of members of the Company's Management Board and other management positions, in accordance with the general remuneration limits approved by the General Meeting of Shareholders.

The Investment and Energy Security Committee advises on and monitors the implementation of the Strategy and the Investment Plan for the medium, short and long term; advises and consults with members of the Board and members of the Management Board, within the framework of and in line with the Company's Strategy and the Rules of Procedure; advises on and monitors the implementation of measures to maintain and enhance energy security in relation to the Company's activities.

The Risk Management Committee is a body that was recently established following the amendment of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises.

Audit Committee	Nomination and Remuneration Committee	Committee on Investment and Energy Security	Risk Management Committee
ZEZEANU Luminița – Chairman	VASILESCU Alexandru-Cristian - Chairman	PĂUN Costin-Mihai - Chairman	ATANASIU Teodor ATANASIU - Chairman
ATANASIU Teodor	DASCĂL Cătălin-Andrei	DASCĂL Cătălin Andrei	VASILESCU Alexandru-Cristian
RUSU Rareș Stelian Rareș	ORLANDEA Dumitru Virgil	ZEZEANU Luminița	DASCĂL Cătălin-Andrei
PĂUN Costin-Mihai	ZEZEANU Luminița	ATANASIU Teodor	RUSU Rareș Stelian Rareș
VASILESCU Alexandru-Cristian	ATANASIU Teodor	ORLANDEA Dumitru Virgil	ORLANDEA Dumitru Virgil
	PĂUN Costin-Mihai		

The General Meeting of Shareholders – is the deliberative and decision-making body of Transelectrica, with specific powers and responsibilities expressly provided for by the applicable legislation and the Articles of Association. The General Meeting of Shareholders may be an ordinary or an extraordinary meeting; its powers are governed both by the applicable legislation and by the Company's statutory documents. All shareholders have the right to participate and vote, thereby ensuring a transparent and fair decision-making process.

The Romanian State holds a 58.6882% stake, represented by the General Secretariat of the Government, which also acts as the supervisory public authority within the meaning of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, with the remainder being shares held by institutional investors and private individuals, traded on the Bucharest Stock Exchange. The company falls under the authority of the General Secretariat of the Government.

Transelectrica's shareholding structure

Shareholder	2024		2025	
	Shares	Percentage	Shares	Percentage
THE ROMANIAN STATE, through the General Secretariat of the Government	43.020.309	58,6882	43.020.309	58,6882
PAVAL HOLDING	4.753.567	6,4848	4.753.567	6,4848
NN/NN Pensii S.A.F.P.A.P. Privately Managed Pension Fund S.A.	4.007.688	5,4673	4.007.688	5,4672
Other legal entity shareholders	16.442.683	22,4311	16.839.437	22,9724
Other individual shareholders	5.078.895	6,9286	4.682.141	6,3874

TOTAL	73.303.142	100	73.303.142	100

** The register of shareholders and the shareholding history are held by Depozitarul Central SA*

At Company level, the organisational framework for risk management is implemented in accordance with the legislation in force, namely SGG Order No. 600/2018 approving the Code of Internal Management Control for Public Entities and Operational Procedure TEL-10.00 Risk Management. In this context, Transelectrica has established a Risk Management Team (EMRC), a Monitoring Committee for the implementation of the Internal Management Control System, and the Technical Secretariat of the Monitoring Committee for the implementation of the Internal Management Control System (CM SCIM), all with clearly defined roles and responsibilities. The role of senior management in monitoring, managing and overseeing impacts, risks and opportunities (IROs), including those relating to sustainability, is exercised through formal governance mechanisms, with operational responsibility delegated to these internal structures, under the supervision of the Management Board and, where appropriate, the Supervisory Board's advisory committees.

The Internal Management Control Monitoring Committee reports to the Board through detailed annual/periodic reports on the status of impacts, risks and opportunities, highlighting, where appropriate, the persistence of risks, the emergence of new risk factors and the effectiveness of the control measures implemented. On the one hand, these reports provide an up-to-date overview of ongoing risks and the emergence of new risk factors, ensuring a swift and effective response to any malfunctions on the part of management and control bodies, and, on the other hand, assess the effectiveness of the control measures implemented, helping to minimise negative impacts on operational and financial stability and maximise opportunities.

The Management Internal Control Monitoring Committee monitors the extent to which general and specific objectives are being met, constantly assessing the progress of the measures implemented, the effectiveness of the strategies adopted and their alignment with the Company's strategic directions, thereby ensuring effective risk management and maximising opportunities for improving organisational performance.

Within Transelectrica, reporting lines are clearly defined to ensure an efficient flow of information and decision-making at both strategic and operational levels, in accordance with documented procedures. The advisory committees report directly to the Supervisory Board, providing support in analysing and advising on key issues relating to corporate governance and the Company's strategy. The internal management control committees submit reports to the Management Board and to the Supervisory Board's advisory committees, thereby helping to strengthen the Company's control and risk management system.

Furthermore, key strategic objectives such as energy efficiency, employee health and safety, service quality and other essential sustainability considerations are incorporated into the mandates of the management and supervisory bodies. These are formalised through the approval of the terms of reference by the General Meeting of Shareholders and through the conclusion of addenda to the contracts of appointment of the members of the Management Board and the Supervisory Board. These addenda include key performance indicators (KPIs) relating to social, environmental and governance (ESG) factors, which must be met and monitored throughout the duration of the contract.

Transelectrica's administrative, management and supervisory bodies, together with senior executive management, oversee the setting of targets relating to significant impacts, risks and

opportunities by integrating these into governance and performance management mechanisms. The relevant targets are reflected in the strategic and operational objectives (set out in the Management Plan), including the performance indicators/KPIs approved by the General Meeting of Shareholders. Progress is monitored through regular reports to the Management Board and the Supervisory Board, which include the status of action implementation, the level of achievement of the agreed indicators, and any deviations or risks of non-compliance; on this basis, the management bodies may request corrective measures, resource adjustments or plan revisions, ensuring continuous oversight and constant alignment between targets, risks and management decisions.

Within Transelectrica, the expertise and skills required to oversee and manage sustainability issues are available and are being progressively strengthened. The company has a dedicated sustainability reporting department, which coordinates the collection, analysis and validation of data from the relevant departments and supports the process of aligning with ESRS requirements and applicable national regulations. At the same time, specialist expertise is supported by internal departments with specific responsibilities (e.g. environment, health and safety, risk management, human resources, governance).

The information flow is organised in such a way that relevant sustainability-related materials (reporting requirements, methodologies, data coverage, compliance risks and proposed measures) are forwarded to the Management Board and, where appropriate, to the Supervisory Board, to inform decision-making and oversee the reporting process. Through this structure, the Company is gradually strengthening its ability to monitor sustainability issues and integrate them into its internal processes, in line with the development of its reporting framework.

The skills and expertise available within Transelectrica are aligned with the significant impacts, risks and opportunities identified through the double materiality analysis, supporting both their assessment and the related reporting. Technical, environmental and health and safety expertise helps to understand the impacts associated with the operation and development of transport infrastructure, whilst risk management, compliance and governance capabilities contribute to the assessment of regulatory and internal control risks and to the integration of ESG considerations into relevant processes. In addition, human resources expertise supports the handling of social and material issues, within the scope of the established roles and responsibilities.

By 2025, no dedicated sustainability training programme had been implemented for the statutory bodies and all the units involved in reporting. However, during the current year, the Company plans to conduct market research into relevant programmes and courses in the field of sustainability (including ESRS and ESG reporting) and to take the necessary steps to participate in such courses, both for representatives of the Management Board and the Supervisory Board, and for the entities and structures directly involved in the reporting process, depending on the identified needs and available resources.

Teletrans branch. Teletrans was established by Transelectrica General Meeting of Shareholders Resolution No. 13 of 4 December 2002 and operates as a telecommunications and information technology provider, delivering specialist services to Transelectrica and the telecommunications market. The company is incorporated as a public limited company under a unitary management system, in accordance with Companies Act No. 31/1990.

Teletrans comprises 4 agencies, 3 centres and 12 branch offices, which are entities without legal personality and whose activities are coordinated centrally. Teletrans provides monitoring, operation and maintenance services for IP systems (process control), TC and TI, installation and

commissioning of equipment, systems and software, software design and development, technical support, consultancy, staff training, research and other services in the field of IP, TC and TI for Teletrans and for the liberalised telecommunications market in Romania.

Teletrans is a subsidiary of Transelectrica (sole shareholder), and its main business objective is to provide telecommunications and information technology (IT&C) services to its parent company.

In order to comply with the relevant legal obligations, General Meeting of Shareholders launched the selection process for three directors in December 2024, in accordance with Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises; three directors were appointed in November for a four-year term. On 19 December 2024, one of the three directors resigned from their post, thereby triggering a new selection process to fill the three vacant positions. In December 2025, the recruitment process was finalised with the appointment of three new directors on a permanent basis.

Teletrans is governed by the General Meeting of Shareholders and the Board of Directors, which comprises five members appointed by the General Meeting of Shareholders, in accordance with the legislation on corporate governance of public enterprises. Executive management is provided by the Chief Executive Officer and the Financial Director, who are appointed in accordance with Government Emergency Ordinance No. 109/2011.

The composition of the Board of Directors during 2025 was as follows:

Full name	Term of office	Status	Independent/ non-independent
Victor Andrei DIMITRIU (Chairman)	13 November 2024 – 12 November 2028	Permanent	Independent
Decebal BĂESCU (<i>acting on behalf of the Chief Executive Officer</i>)	13 November 2024 – 12 November 2028	Permanent	Independent
Maria Roberta DOLOIU	9 December 2024 – 08 May 2025 (5 months)	Provisional	Independent
	9 May 2025 - 8 July 2025 (2-month extension of term)	Provisional	Independent
Mirela IONESCU	9 December 2024 – 08 May 2025 (5 months)	Provisional	Independent
	9 May 2025 - 8 July 2025 (2-month extension of term)	Provisional	Independent
	3 December 2025 – 12 November 2028	Permanent	Independent
Liviu Calin BUTNARIU	25 April 2025 – 24 September 2025 (5 months)	Provisional	Independent
	25 September 2025 – 24 November 2025 (2-month extension of term)	Provisional	Independent
Alin ENE	3 December 2025 – 12 November 2028	Permanent	Independent
Veronica SOARE	3 December 2025 – 12 November 2028	Permanent	Independent

The composition of the Board of Directors as at the date of this report is as follows:

- 4 non-executive members appointed following the selection process (permanent)

- 1 permanent executive director, to whom the Board of Directors has delegated the management of the Company for a term of office running from 11 April 2025 to 12 November 2028.

The company is represented by the Chief Executive Officer (appointed following the selection process for the Chief Executive Officer), who, at the time of this report, is an executive director.

- Women make up 40% of the Board of Directors.
- All members of the Board of Directors are independent.

Three advisory committees operate within the Board of Directors: The Nomination and Remuneration Committee, the Audit Committee and the Risk Management Committee.

Nomination and Remuneration Committee	Established on 11 December 2024
DIMITRIU Victor-Andrei – Chairman	Board of Directors' Decision No. 52 of 8 December 2025
Veronica SOARE	
Mirela Ionescu	
ENE Alin	
Audit Committee	Established on 11 December 2024
Mirela Ionescu – Chair	Board of Directors' Decision No. 52 of 8 December 2025
DIMITRIU Victor-Andrei	
Veronica SOARE	
ENE Alin	
Risk Management Committee	Established on 11 December 2024
ENE Alin – Chair	Board of Directors' Decision No. 52 of 8 December 2025
DIMITRIU Victor-Andrei	
Mirela Ionescu	
Veronica SOARE	

The Nomination and Remuneration Committee organises training sessions for board members, draws up proposals for the remuneration of directors and senior management in accordance with the remuneration policy issued by AMEPIP, and supports the board in assessing its own performance as well as that of the executive management.

The *Risk Management Committee* shall ensure that control activities are consistent with the risks generated by the activities and processes subject to control, identify, analyse, evaluate, monitor and report on identified risks, the plan of measures to mitigate or anticipate them, other measures taken by the executive management. It is also responsible for assessing the solvency of the public enterprise, taking into account its usual duties and obligations, and reports to, or where appropriate makes proposals to, the board of directors or the supervisory board.

The Audit Committee performs the duties set out in Article 65 of Law No. 162/2017.

Smart branch. Smart was established in 2001 by Government Decision No. 710 of 19 July. 2001 on the establishment of the subsidiary Societatea Comercială pentru Servicii de Mentenanță a

Rețelei Electrice de Transport S.C. “Smart” S.A. through the reorganisation of certain activities within the National Electricity Transmission Company “Transelectrica” S.A.

The Company’s main activities include carrying out inspections and repairs on primary equipment within electricity networks, resolving incidents involving electrical installations, providing services in the energy sector, and the small-scale manufacture of electrical equipment.

Smart comprises eight secondary offices with the status of branches, without legal personality. Smart is a subsidiary of Transelectrica (sole shareholder), and its main business activity is the repair of electrical equipment (carrying out inspections, repairs and fault rectification on primary and secondary equipment in electricity networks, providing services in the energy sector, and the small-scale production of electrical equipment).

In order to comply with the relevant legal obligations, the General Meeting of Shareholders initiated the process of selecting directors in 2024, in accordance with Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises; in December, three directors were appointed for a four-year term. In February 2025, a new selection procedure was launched to fill the two remaining vacancies, and in December 2025, following a decision by AMEPIP, the selection procedure was restarted.

Smart is governed by the General Meeting of Shareholders and the Board of Directors, comprising five members⁷, appointed by the General Meeting of Shareholders in accordance with the legislation on corporate governance of public enterprises. Executive management is the responsibility of the Chief Executive Officer.

The composition of the Board of Directors during 2025 was as follows:

Full name	Term of office	Status	Independent/ non-independent
Raluca Cristina ISPIR (Chair)	23 December 2024 – 22 December 2028	Permanent	Non-independent
Decebal BĂESCU	23 December 2024 – 22 December 2028	Permanent	Independent
Gheorghe BOLINTINEANU (acting on behalf of the Chief Executive Officer)	23 December 2024 – 22 December 2028	Permanent	Independent
Ion BUCUR	21 February 2025 – 20 July 2025 (5 months)	Provisional	
	21 July 2025 – 20 September 2025 (2-month extension of term)	Provisional	
Adrian-Cristian CONSTANTIN	2 April 2025 – 01 September 2025 (5 months)	Provisional	Independent
	2 September 2025 – 01 November 2025 (2-month extension of term)	Provisional	Independent

The composition of the Board of Directors as at the date of this report is as follows:

- 2 non-executive members, appointed following a selection process (permanent)

⁷ At the time of this report, the Board of Directors consists of three members; the terms of the interim members have expired, and the selection process to fill the two vacant positions is currently underway.

- 1 permanent executive director, to whom the Board of Directors has delegated the management of the company for a term of office running from 6 June 2025 to 22 December 2028.

The company is represented by the Chief Executive Officer (appointed following the selection procedure for the post of Chief Executive Officer), who, at the time of this report, is an executive director.

- Women make up 33.3% of the Board of Directors.

Three advisory committees operate within the Board of Directors: The Nomination and Remuneration Committee, the Audit Committee and the Risk Management Committee.

Nomination and Remuneration Committee	Established on 24 December 2024
ISPIR Raluca Cristina	Board of Directors' Decision No. 44 of 24 December 2024
Decebal BĂESCU	
Audit Committee	Established on 24 December 2024
ISPIR Raluca Cristina	Board of Directors' Decision No. 44 of 24 December 2024
Decebal BĂESCU	
Gheorghe Bolintineanu	
Risk Management Committee	Established on 24 December 2024
ISPIR Raluca Cristina	Board of Directors' Decision No. 44 of 24 December 2024
Decebal BĂESCU	
Gheorghe Bolintineanu	

The Nomination and Remuneration Committee organises training sessions for Board members, draws up proposals for the remuneration of directors and senior management in accordance with the remuneration policy issued by AMEPIP, and assists the Board in assessing its own performance and that of the executive management.

The *Risk Management Committee* shall ensure that control activities are consistent with the risks generated by the activities and processes subject to control, identify, analyse, evaluate, monitor and report on identified risks, the plan of measures to mitigate or anticipate them, other measures taken by the executive management. It is also responsible for assessing the solvency of the public enterprise, taking into account its usual duties and obligations, and reports to, or where appropriate makes proposals to, the board of directors or the supervisory board.

The Audit Committee performs the duties set out in Article 65 of Law No. 162/2017.

The governance arrangements between Transelectrica and its subsidiaries (Teletrans and Smart). The governance arrangements between Transelectrica and its subsidiaries, Teletrans and Smart, are structured within a clearly defined governance framework, through which the parent company exercises control in accordance with the principles of corporate governance and the applicable regulations.

Strategic decisions concerning the aforementioned subsidiaries are taken by the Transelectrica Management Board, which is responsible for deciding how to cast votes at the subsidiaries' general meetings of shareholders.

The Board also sets out the key guidelines for their management and has the power to appoint and remove the directors of the subsidiaries and to determine their remuneration. As regards the management of subsidiaries, their directors operate on the basis of clearly defined objectives, set out in the Letter of Expectations and the Management Plan.

At present, within the management and supervisory bodies involved in the governance of the Transelectrica Group, the specific skills and expertise required for in-depth oversight of sustainability issues (e.g. setting and monitoring targets, the transition plan and advanced ESRS requirements) are not yet available in a comprehensive and systematic manner. In this context, the Group intends, in the coming period, to carry out market research to identify options for accessing the necessary expertise (specialised training, dedicated programmes and/or external support), as well as taking steps to develop the relevant skills both at the level of the Management Board and the Supervisory Board, and within the key structures involved in reporting and managing ESG issues. The aim is to gradually strengthen this capacity for monitoring and planning in the area of sustainability so that, within a maximum of three years, the Company will have an adequate level of expertise to consistently support its sustainability strategy, targets and associated plans.

Information provided to the company's administrative, management and supervisory bodies, and the sustainability issues addressed by them (GOV-2)

Within Transelectrica, the Management Board and, where applicable, the Supervisory Board and relevant committees are informed of significant impacts, risks and opportunities (IROs), the progress made in fulfilling the due diligence obligation, and the results and effectiveness of the policies, actions, indicators and targets adopted. Reporting is carried out through the structured risk management process governed by Operational Procedure TEL-10.00, under which the Risk Management Team and the Management Internal Control Monitoring Committee (established by Management Board Decision No. 210/2024) collect and consolidate information submitted by organisational units, including annual reports and periodic reports on significant risks, the plan for implementing control measures and their status. In addition, in 2025 the Board approved a procedure for aggregating, validating and verifying the information required for sustainability reporting, with the involvement of specialist departments, and throughout the year regular reports were produced on the achievement of the objectives and indicators set out in the Management Plan.

The structured risk management process

The organisational framework for risk management	The information and reporting process	Risk-informed decision-making
Operational Procedure TEL-10.00 Risk Management – ensures the identification, assessment, management and monitoring of risks	Regular reports on significant risks – submitted to the Board of Directors and the Chair of the Monitoring Committee	Assessing and prioritising risks to determine the Company's risk profile and risk tolerance limit
The Committee for Monitoring Internal Management Control, established by Management Board Decision No. 210/2024, coordinates the process of updating objectives, managing risks and monitoring performance	The implementation plan for control measures addressing significant risks, approved by the Management Board – forwarded to the departments responsible for implementation	Establishing the necessary measures to manage significant risks and monitoring their implementation
The Risk Management Team (led by the Deputy Chief Risk Officer) – ensures that risks are reported to the Company's Management Board	The report on the implementation of the risk management process is drawn up on the basis of the annual reports of the organisational units and is submitted to the Monitoring	Reports to the Corporate Governance, Investor Relations and Representation Department regarding the information required for sustainability reports

	Committee for review and to the Management Board for approval	

Transelectrica's management is regularly informed of significant sustainability-related impacts, risks and opportunities through:

- **Integrated Risk Management System**, which ensures that potential losses are identified and addressed before they materialise.
- **annual and periodic reports** on the risk profile and the control measures implemented.
- **regular assessments of environmental impacts** and the preventive measures taken to mitigate them.

Information is provided by the Integrated Management Directorate and other specialist departments, and reporting takes place at least once a year or whenever necessary, depending on how risks develop. The Management Board and the Supervisory Board incorporate these key considerations into their decision-making processes, ensuring:

- strategic alignment – overseeing and implementing measures to minimise environmental impact and mitigate associated risks;
- assessment of major transactions – rigorous analysis of environmental and sustainability implications prior to strategic decision-making;
- proactive risk management – the effective monitoring and control of key risk factors, including climatic, operational and financial risks.

In addition, Transelectrica is taking proactive measures, such as:

- **investment in infrastructure modernisation to reduce environmental impact;**
- **the adoption of more sustainable technologies**, such as equipment with low pollutant emissions.

In 2025, no new strategic risks associated with ESG issues were identified beyond those already included in the risk register and monitored through existing mechanisms. The sustainability risk analysis has demonstrated that these risks are effectively managed through the control measures and monitoring mechanisms implemented across the Company, in accordance with corporate governance requirements and applicable regulations.

As part of the oversight and decision-making process, management bodies analyse, where appropriate, the trade-offs between operational objectives, compliance requirements and potential environmental and social impacts, within the framework of supporting documentation and internal approvals, within the limits of the information available and their established responsibilities. Compromises are examined on a case-by-case basis, depending on the subject matter, in the supporting documents and during the approval process (e.g. investment projects, maintenance, procurement, compliance). As a rule, the analysis seeks to strike a balance between operational continuity and safety, cost, deadlines, compliance requirements and potential environmental/social impacts (e.g. field works: scheduling works or selecting routes/solutions to minimise environmental impact, within the limits of technical and regulatory feasibility).

As with Transelectrica, within the Company's subsidiaries, the structured risk management process plays a key role in keeping management informed, ensuring an effective and proactive approach to identifying, assessing and monitoring risks. The mechanism implemented provides transparency and visibility regarding significant risks, thereby facilitating the integration of risk management into strategic decision-making processes.

Integrating sustainability performance into incentive schemes (GOV-3)

The remuneration policy for Transelectrica's executive and non-executive directors was approved by General Ordinary Shareholders Meeting Resolution No. 4 of 29 April 2025. Furthermore, by Resolution No. 3 of 1 April 2025, the General Meeting of Shareholders approved the general limits on remuneration and other benefits to be granted by Transelectrica to members of the Management Board, including fixed remuneration, variable remuneration and other benefits granted to them.

The remuneration policy is publicly available on the Company's website at the following link: <https://www.transelectrica.ro/web/tel/GeneralMeetingofShareholders;jsessionid=EA22038BE07934DF97780E3EE344E895>.

The incentive schemes implemented at Transelectrica are structured in accordance with applicable legislation, corporate governance standards and the principles of transparency and performance. The remuneration policy sets out the applicable general framework and describes the responsibilities of decision-makers in determining and approving remuneration and other benefits.

The structure of incentives and the mechanism linking them to performance. Members of the Supervisory Board receive a fixed monthly allowance, set by the General Meeting of Shareholders, with no variable component, whilst members of the Management Board receive a fixed monthly allowance and a variable component of remuneration, determined by the Supervisory Board within the maximum limits set by the General Meeting of Shareholders, in accordance with the applicable provisions, including Government Emergency Ordinance No. 109/2011.

The remuneration package for members of the Management Board consists of two main components:

- *fixed component* – remuneration that reflects the complexity of the role, the responsibilities involved and market standards for similar executive positions;
- *variable component* – directly linked to the achievement of financial, non-financial and ESG (environmental, social and governance) performance indicators, designed to incentivise the achievement of the Company's strategic objectives.

The variable component of remuneration is linked to the extent to which certain key performance indicators (KPIs) – set out in the 2024–2028 Management Plan, with annual targets and calculation formulas – are achieved. Performance assessment KPIs are assessed annually, and the results are used by the Supervisory Board to determine the variable component, in accordance with the approved framework.

The KPIs are divided into three categories: **financial indicators**, **non-financial indicators** and **non-commercial indicators**. The set of KPIs also includes relevant sustainability elements, such as: **internal electricity consumption** (with annual reduction targets), **the establishment of risk management policies** (maintaining the relevant tools/framework) and **the pay gap between female and male employees** (with annual reduction targets), alongside safety and skills development indicators (training and training hours). Through this structure, the incentive scheme ensures that management performance is aligned with operational objectives and relevant environmental, social and governance considerations.

In the Management Plan for the period 2024–2028 (hereinafter “the Management Plan”), Transelectrica undertakes to play an active role in achieving the objectives set out in national legislation and European directives on renewable energy, such as ‘Fit for 55’ and the ‘Green Deal’, initiatives that are essential for the European Union’s energy transition. In this context, **Transelectrica is committed to helping implement the measures needed to reduce carbon emissions, integrate renewable energy sources and modernise the energy infrastructure**, adapting to the substantial changes that will reshape the European Energy System in the coming years.

To support this transition and ensure compliance with European targets, significant investment is required in advanced low-carbon technologies, the integration of renewable energy sources, the optimisation of energy efficiency and the modernisation of the electricity grid infrastructure. These investments are essential for adapting the National Energy System to new sustainability requirements and for strengthening Romania’s role within the European energy market.

The management plan sets out Transelectrica’s strategic direction, reaffirming its vital role both in ensuring national energy security and stability and in facilitating the integration of electricity generation capacity from renewable sources. In this context, the Management Plan sets out the programmes, resources and timetable for actions, including implementation deadlines and responsible parties, through which the management strategy is implemented, thereby ensuring that all strategic objectives and the agreed performance criteria and indicators are met.

From the Management Plan a series of strategic objectives and a set of key performance indicators have been established to facilitate the achievement of Transelectrica’s strategic objectives and the requirements for operational efficiency, sustainability and safety of the national energy system. These indicators are divided into several key categories, namely: financial indicators – 9, non-financial indicators – 10 and a non-commercial indicator – 1, as shown in the table below:

It. no.	Objective/Performance indicators	Calculation formula		Target values for performance indicators				
	Indicators		M.U.	2024	2025	2026	2027	2028
	Financial indicators							
1	Capital expenditure ratio	Capital expenditure*100/Total assets	%	5.56%	5.57%	5.58%	5.59%	5.60%
2	The degree of implementation of the Annual Investment Plan as a percentage of the figures set out in the Investment Plan approved by the General Shareholders Meeting	Proposed calculation formula: Investments made*100/Planned investment budget	%	90%	91%	92%	93%	94%
3	Dividend payout ratio (in accordance with the provisions of Government Ordinance 64/2001)	Dividends paid*100/Net profit	%	50%	50%	50%	50%	50%
4	Current liquidity ratio	Current assets/Current liabilities	no.	1.03	1.04	1.05	1.06	1.07
5	Interest coverage ratio	Profit before interest and	no.	3.50	4.00	4.50	5.00	5.50

		corporation tax / interest expense						
6	Asset turnover ratio	Net turnover*100/Average value of total assets	no.	0.50	0.52	0.53	0.54	0.55
7	Return on assets (ROA)	Net profit*100/Total assets	%	2.04%	2.05%	2.06%	2.07%	2.08%
8	Outstanding payments to the State Budget	The amount of arrears (debts) owed to the state budget at the end of the period (financial year)	RON	0.0	0.0	0.0	0.0	0.0
9	Reducing Arrears	The amount of arrears at the end of the period (financial year)	RON	0.0	0.0	0.0	0.0	0.0
	Non-financial indicators		M.U.	2024	2025	2026	2027	2028
1	Degree of Implementation of the Annual Maintenance Plan (ESG)	Maintenance work carried out*100/Maintenance work scheduled in the Maintenance Plan each year	%	90%	90%	90%	90%	90%
2	Customer retention rate	(Total number of customers at the end of the period – Number of new customers) * 100 / Total number of customers at the start of the period	%	100%	100%	100%	100%	100%
3	Customer satisfaction score	Total number of 4- and 5-star ratings in period t * 100 / Total number of ratings in period t	%	75%	75%	75%	75%	75%
4	Average number of training hours per employee (ESG)	Total number of training hours/Total number of employees	no.	16.00	18.00	18.50	19.00	19.50
5	Number of safety training sessions (ESG)	The total number of safety training sessions carried out during the year	no.	4.50	5.00	5.00	5.00	5.00
6	The number of meetings of the Supervisory Board	Number of meetings of the supervisory board carried out during the reporting year	no.	8	10	12	14	16
7	Number of committee meetings	The number of committee meetings (CNR, Audit Committee, Risk Committee) held during the reporting year	no.	8	10	12	14	16
8	Number of Executive Committee meetings	The number of Executive Committee meetings held during the reporting year	no.	36	38	40	42	46
9	Domestic electricity consumption (ESG)	Internal energy consumption at RET stations and offices	MWh	46.500	46.400	46.300	46.200	46.100
10	Establishing risk management policies (ESG)	Is there a risk management tool?		YES	YES	YES	YES	YES
	Non-commercial		M.U.	2024	2025	2026	2027	2028

	indicators							
1	The gender pay gap (GPG)	The average monthly salary of female employees*100 / average monthly salary of male employees	%	0.75%	0.50%	0.25%	0.00%	0.00%

Within the Management Plan, performance indicators relevant to environmental, social and governance aspects are clearly marked with the designation 'ESG', to enable their rapid identification and the separate tracking of their contribution to sustainability objectives. This makes it easier to link the indicators to the material topics identified through the double materiality analysis and to the relevant sections of the sustainability report, ensuring clear traceability between the targets set, performance monitoring and reporting to stakeholders.

By including relevant sustainability KPIs in the set of indicators used to determine the variable component of the Management Board's remuneration, Transelectrica aims to align managerial accountability with operational objectives and with governance, efficiency and performance requirements in the area of sustainability.

Performance assessed against specific sustainability targets and/or impacts. Performance at Transelectrica is assessed against specific sustainability targets, as reflected in a series of non-financial and non-commercial indicators that influence the variable component of the remuneration of the members of the Management Board. These include **reducing internal electricity consumption** (RET stations and offices), with annual targets of 46,400 MWh for 2025, 46,300 MWh for 2026, 46,200 MWh for 2027 and 46,100 for 2028, as well as **reducing the gender pay gap**, with targets of 0.50% for 2025, 0.25% for 2026 and 0% for 2027 and 2028. In addition, the aim is to **maintain the risk management framework** (a 'Yes' indicator), as a governance element relevant to operational continuity and the reduction of vulnerabilities. By incorporating these indicators into the incentive scheme, the Company aims to align managerial accountability with ESG objectives and to monitor progress towards the targets set.

These objectives reflect Transelectrica's commitment to ESG principles (environmental, social and governance) and modern sustainability requirements, and have a direct impact on organisational performance and social responsibility.

Sustainability-related performance indicators are included in the remuneration policy and are used to determine the variable component of the remuneration of the members of the Management Board, through the KPIs set out in the Management Plan. These include, where applicable, internal electricity consumption, the maintenance of the risk management framework, and the gender pay gap. These indicators are used as operational KPIs within the incentive scheme (not merely as benchmarks), helping to monitor progress towards achieving the relevant ESG objectives.

By incorporating these elements into its remuneration policy, Transelectrica is creating a mechanism to hold management accountable, thereby encouraging the implementation of effective measures to reduce environmental impact, optimise operational processes and improve social equity. This approach reflects the company's commitment to ESG principles and the sustainability requirements set out in European and national regulations.

The proportion of variable remuneration that depends on sustainability-related targets/outcomes is included in the component relating to non-financial and non-commercial KPIs, which accounts for 25% of the set of indicators used to determine the variable component. This component

includes sustainability-related targets, such as internal electricity consumption and the gender pay gap, as well as the maintenance of the risk management framework.

Teletrans. The Management Plan resulted in a series of strategic objectives and a set of benchmark key performance indicators designed to support the achievement of the company's strategic objectives and the requirements related to operational efficiency, sustainability, and the security of the national power system. These indicators are structured into two essential categories, namely: financial indicators – 5 and non-financial indicators – 5. The non-financial indicators are presented in the table below, while those relevant to environmental, social, and governance matters are specifically marked with the designation “ESG”:

Key Financial Performance Indicators	Percentage	Calculation Formula	M.U.	2025	2026	2027	2028
Average Number of Training Hours per Employee (ESG)	10%	Total number of training hours / Total number of employees	no.	18	19	20	21
Implementation of an Employee Safety System (ESG)	10%	Existence and continuous updating of an employee safety system	YES/NO	YES	YES	YES	YES
Establishment of Risk Management Policies (ESG)	5%	Management and monitoring of the company's risks	YES/NO	YES	YES	YES	YES
Total Value of the Remuneration Package	10%	Total value in accordance with the applicable legislation	YES/NO	As per legislation	As per legislation	As per legislation	As per legislation
Achievement of the SLA (Service Level Agreement) target within the National Transmission Operator	15%	(SLA level achieved / SLA level committed to) × 100	%	90%	91%	92%	93%

Smart. The Management Plan resulted in a series of strategic objectives and a set of benchmark key performance indicators designed to support the achievement of the company's strategic objectives and the requirements related to operational efficiency, sustainability, and the security of the national power system. These indicators are structured into two essential categories, namely: financial indicators – 8 and non-financial indicators – 3 (5 performance indicators). The non-financial indicators are presented in the table below, while those relevant to environmental, social, and governance matters are specifically marked with the designation “ESG”:

Category of Non-Financial Indicators*	Non-Financial Performance Indicators	Percentage	Calculation Formula	M.U.	Target			
					2025	2026	2027	2028
Operational indicators related to employees	Average Number of Training Hours per Employee (ESG)	10%	Total number of training hours / Number of employees	no.	40	40	40	40

	Implementation of an Employee Safety System (ESG)	10%	Existence of the safety system	YES/NO	YES	YES	YES	YES
Indicators related to corporate governance	Number of Board of Directors Meetings	10%	Number of Board of Directors meetings held in a year	no.	18	18	18	18
	Establishment of Risk Management Policies (ESG)	5%	Establishment of the risk management framework	YES/NO	YES	YES	YES	YES
Indicators related to REPowerEU	Compliance with the milestones committed to under REPowerEU (ESG)	15%	Compliance with the committed milestones	YES/NO	YES	YES	YES	YES

Approval and updating of incentives. The variable component of the remuneration of the members of the Management Board is determined by the Supervisory Board, within the limits and under the general conditions approved by the General Meeting of Shareholders, in accordance with the Memorandum of Association and the applicable legal framework. The variable component is awarded annually, based on the extent to which the objectives set out in the management plan have been achieved and the degree to which the key performance indicators approved by the General Meeting of Shareholders, as set out in the annex to the mandate agreement, have been met.

Teletrans branch. As at the reporting date, the Board of Directors comprises five members appointed in accordance with the applicable procedures. Of these, two members have terms of office set for the full four-year period, whilst for the other three members the term of office is aligned with the remaining duration of the initial terms of the directors appointed in 2024, in order to ensure continuity of governance. Teletrans' management plan was approved by Board of Directors Decision No. 22 of 25 April 2025, and the related performance indicators (including those relating to sustainability) were approved by General Meeting Resolution No. 14/05.06.2025, in accordance with the provisions of Government Emergency Ordinance No. 109/2011.

Smart branch. At the time of writing, three members of the Board of Directors have been appointed for a four-year term, and a selection process is currently underway to fill the vacant positions. Smart's management plan was approved by Board of Directors' Decision No. 24 of 1 August 2025, and the related performance indicators (including those relating to sustainability) were approved at the General Meeting of Shareholders No. 11/10.11.2025, in accordance with the provisions of Government Emergency Ordinance No. 109/2011.

Statement on the due diligence process (GOV-4)

Transelectrica implements an integrated management framework that supports a systematic approach to quality, the environment, and occupational health and safety, and contributes to the management of risks and opportunities relevant to sustainability. The integrated management system is implemented through internal procedures and controls and is underpinned by

certifications in accordance with the SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR ISO 45001:2023 standards.

Between 16 and 20 June 2025, the integrated management system underwent a Surveillance II external audit, carried out by SRAC CERT SA, which was concluded with Audit Report No. 25952/23 June 2025.

The Transelectrica Group's due diligence process regarding sustainability issues is structured in stages aimed at integrating relevant criteria into its strategy and business model, consulting with stakeholders, assessing impacts and risks, implementing response measures, and monitoring their effectiveness.

Progress made and the monitoring of the sustainability objectives and targets set are tracked through internal reporting mechanisms and relevant key performance indicators (KPIs), where these have been defined, including through regular reports on the status of action implementation and the achievement of the targets set. With regard to the processes, policies and procedures that impact ESG reporting, Transelectrica ensures that the relevant controls are in place, and where deficiencies are identified, these are analysed, corrective measures are established and, where appropriate, measures to prevent recurrence (e.g. procedural clarifications, responsibilities, training and/or adjustments to verification workflows), aspects reflected in the relevant sections of the Report.

The key elements of the due diligence process	The relevant section of the sustainability report
Integrating due diligence into governance, strategy and the business model	ESRS 2 SBM-1 – Strategy, business model and value chain ESRS 2 GOV-1/GOV-2 – Roles and reporting to statutory bodies
Identifying and prioritising affected stakeholders and engaging with them	ESRS 2 SBM-2 – Stakeholders' interests and perspectives (processes for engaging stakeholders and incorporating feedback)
Identifying and assessing significant impacts, risks and opportunities	ESRS 2 IRO-1 – processes for identifying and evaluating IROs ESRS 2 IRO-2 – requirements covered and applicability
Preventing, mitigating, remedying or halting negative impacts (actual or potential)	ESRS E1–E5, ESRS S1–S4 and ESRS G1 – policies, actions, resources and measures for material topics (where applicable, depending on the topics identified as significant)
Remedial mechanisms and channels for reporting concerns or making complaints (where applicable)	ESRS S1–S4 and ESRS G1 – remedial processes and channels for raising concerns (where applicable, in accordance with the relevant thematic requirements)
Monitoring the effectiveness of actions and reporting on progress against targets	ESRS 2 MDR-T (where targets exist) and the relevant thematic sections (E1–E5, S1–S4, G1) – monitoring progress; (where applicable) ESRS 2 GOV-5 – internal controls on reporting
Internal controls and quality assurance of data used in reporting (including improvements)	ESRS 2 GOV-5 – risk management and internal controls relating to sustainability reporting; (where applicable) the methodological sections of ESRS 2 BP-1/BP-2 (estimates, uncertainties, transitions)

** This mapping explains how and where the stages of the due diligence process are reflected in sustainability reporting, for information purposes only, without imposing any additional behavioural requirements.*

Teletrans Branch has designed, documented and implemented an Integrated Management System for quality, the environment, and occupational health and safety in accordance with the requirements of the following reference standards: SR EN ISO 9001:20015– Quality Management Systems. Requirements.” - for quality; SR EN ISO 14001:2015 “Environmental management systems. “Specifications and User Guide” – for the environment; SR EN ISO 45001:2023 (Occupational Health and Safety Management System) and the Information Security Management System at executive level, in accordance with the requirements of ISO/IEC 27001:2018.

Smart Branch has designed, documented and implemented an Integrated Management System for quality, the environment, and occupational health and safety in accordance with the requirements of the following reference standards: SR EN ISO 9001:20015– Quality Management Systems. Requirements.” - for quality; SR EN ISO 14001:2015 “Environmental management systems. “Specifications and user guide” – for the environment; SR EN ISO 45001:2023 - Occupational Health and Safety Management System.

Risk management and internal controls relating to sustainability reporting (GOV-5)

Scope, main features and components. Transelectrica manages the risks and internal controls associated with sustainability reporting as part of its Integrated Risk Management System, with the aim of ensuring compliance and the quality of the reported information (completeness, accuracy, traceability) in relation to the ESRS requirements and applicable regulations. The framework complies with the requirements of SGG Order No. 600/2018 and is implemented through Operational Procedure TEL-10.00 Risk Management.

The main components of the risk management and internal control processes and systems relating to sustainability reporting include:

- *The Monitoring Committee for the Implementation of the Internal Management Control System (CM SCIM)*, which oversees the risk management process and the reporting of risks to the Management Board;
- *The Enterprise Risk Management Team (EMRC)*, which analyses and prioritises significant risks at Company level;
- *Implementation plan for control measures addressing significant risks*, reviewed and approved annually.

With regard to risks in the value chain, the availability of primary data provided directly by upstream and/or downstream entities is currently limited; consequently, assessments are based on reasonably available information and, where appropriate, on estimates. The Transelectrica Group aims to progressively improve the quality and traceability of data across the value chain for future reporting.

The approach adopted with regard to risk assessment. Relevant risks are identified and assessed annually and whenever there are significant changes to the operational or regulatory environment. The assessment is carried out using a risk matrix based on an evaluation of probability and impact, each rated on a scale of 1 to 3 (low/medium/high). The risk level is derived from combining (for example, by multiplying) the two scores, and the result is used to prioritise risks, set the risk tolerance limit, and define control measures, responsibilities and implementation deadlines.

The main risks and the associated mitigation strategies/controls. The main categories of risk monitored include technical and operational risks (e.g. stability of the national electricity system, faults, system malfunctions), climate and environmental risks (e.g. extreme events, emissions and environmental compliance), compliance and regulatory risks (legislative changes/ESRS requirements) and cybersecurity risks. Mitigation strategies and controls have been established for these, such as: continuous monitoring of operational parameters, preventive/predictive maintenance programmes, digitalisation of monitoring, alert procedures and regular testing, internal/external audits, monitoring of regulatory requirements, and IT security measures (testing, updates, encryption, training).

The main features of the risk management and internal control system				
Proactive approach – Transelectrica identifies, assesses and monitors risks before they materialise, ensuring that preventive measures are put in place	Integration into the business strategy – The risk management system is aligned with the company's strategic objectives, contributing to informed decision-making	Regulatory compliance – The risk management system complies with the requirements of national and European legislation, including SGG Order No. 600/2018 on internal management control	Ongoing monitoring and reporting – regular risk assessments are carried out, and the results are reported to the Management Board and the Supervisory Board	Adaptability – The risk management system allows risk management strategies to be adjusted in line with changes in the environment, regulations and technological developments

The risk register is an essential tool within the risk management process, serving to identify, assess and monitor risks that may affect the achievement of Transelectrica's strategic objectives. It provides a clear and well-structured overview of significant risks, enabling an analysis of their impact and likelihood of occurrence, as well as the establishment of control measures and mitigation strategies. At Transelectrica, the Risk Register is updated regularly and used to inform risk management decisions, ensuring transparency and compliance with applicable regulations.

Technical and operational risks	Loss of stability in the National Power System (NPS)	- <i>Mitigation strategies:</i> Continuous monitoring of operational parameters, modernisation of critical infrastructure, and implementation of measures to balance energy supply and demand - <i>Related checks:</i> 24/7 operational dispatch, regular equipment testing, implementation of advanced network management systems
	Damage to installations and equipment	- <i>Mitigation strategies:</i> Preventive and predictive maintenance programme, use of modern, highly reliable equipment, digitalisation of equipment monitoring processes - <i>Related checks:</i> Regular technical inspections, implementation of an early-warning system for the early detection of faults
	Malfunctions in operating systems and platforms	- <i>Mitigation strategies:</i> Implementation of redundant solutions for critical systems, and regular testing and updating of IT platforms - <i>Related controls:</i> Simulations and stress tests, cybersecurity audits
Climate and environmental risks	The impact of climate change on energy infrastructure	- <i>Mitigation strategies:</i> Increasing the resilience of infrastructure through the use of materials and equipment capable of withstanding extreme weather conditions, and investment in modernisation and technological upgrading. - <i>Related checks:</i> Regular assessments of climate risks, and the implementation of an action plan for adapting to climate change.

	Greenhouse gas emissions and compliance with environmental regulations	- <i>Mitigation strategies</i>: Reducing energy losses by upgrading the grid, promoting renewable energy, and implementing solutions to monitor and reduce emissions - <i>Related checks</i>: Monitoring and reporting of greenhouse gas emissions, implementation of energy sustainability policies
Compliance and regulatory risks	Failure to comply with European and national regulations in the fields of energy and the environment	- <i>Mitigation strategies</i>: Continuous monitoring of legislative changes, aligning company strategies with European sustainability requirements - <i>Related controls</i>: Internal and external audits, active cooperation with regulatory authorities
Security and cyber risks	Security breaches in critical infrastructure	- <i>Mitigation strategies</i>: Strengthening IT security and data protection, and implementing advanced systems to prevent cyber attacks - <i>Related controls</i>: Regular penetration tests, continuous updating of security systems
	Information security and the protection of cyber infrastructure	- <i>Mitigation strategies</i>: Encryption of sensitive data, training employees in cybersecurity, partnerships with IT security experts - <i>Related controls</i>: Implementation of an information security management system

The risks identified in this chapter, the mitigation strategies and the associated controls are detailed for each material topic and subtopic and represent the outcome of the double materiality analysis, carried out in accordance with the ESRS Standards.

Incorporation of the findings of the risk assessment. Transelectrica systematically incorporates the findings of its risk assessments into its strategic, operational and financial decision-making processes, thereby ensuring proactive management of uncertainties and alignment with sustainability and regulatory requirements. The results of the risk assessment are used to refine and update the Company's strategy, enabling the identification of emerging risks and the opportunities associated with them.

At the same time, Transelectrica incorporates the findings of its risk assessment into its operational processes, using an integrated risk management system that includes the identification and classification of risks, the implementation of corrective and preventive measures, and the continuous monitoring of risk factors. The findings of the risk assessment are regularly reported to the Board, which decides on the necessary adjustments to the business strategy and long-term planning.

Incorporating the findings of the risk assessment into Transelectrica's strategy and operations helps to strengthen the Company's resilience, ensure operational stability and improve economic and environmental efficiency. This process enables a sustainable and adaptable approach to emerging risks, whilst supporting the energy transition and sustainable development goals.

Further information on how Transelectrica incorporates the findings of the risk assessment can be found both in the section on 'Impacts, significant risks and significant opportunities and their interaction with the strategy and business model (SBM-3)', and in the chapter corresponding to each relevant thematic ESRS.

Regular reporting to the administrative, management and supervisory bodies. Relevant findings regarding risks and internal controls are consolidated by the EMRC/CM SCIM and reported at least annually to the Management Board and, where appropriate, to the Supervisory

Board/relevant committees, through regular updates and reports. These reports support decisions on prioritising actions, allocating resources and monitoring progress.

With regard to risk management and internal controls relating to sustainability reporting, the Company, along with its subsidiaries Teletrans and Smart, operates in a dynamic environment characterised by significant challenges in terms of sustainability, the energy transition and the digitalisation of critical infrastructure. In this context, the main risks identified at group level relate to issues that have a direct impact on operational resilience and continuity.

The main risks identified at the Teletrans and Smart subsidiaries are reflected in the list of significant impacts, risks and opportunities (IRO) resulting from the double materiality analysis. Consequently, the risks relevant to the subsidiaries' operations were taken into account in the materiality assessment process and are addressed in the report to the extent that they relate to the material topics and the applicable ESRS requirements, ensuring consistency between the Group's perspective on risks and the thematic presentations in the sustainability report.

Teletrans branch. At Teletrans, during 2025, risks were reassessed and managed in accordance with the provisions of the internal procedure 'Risk Management Code TLT-PS-02', drawn up in accordance with SGG Order No. 600/2018 on the approval of the Code of Internal Management Control for Public Entities and the quality standards ISO 9001:2015, environmental management ISO 14001:2015, and occupational health and safety ISO 45001:2023. For the year 2025, the Teletrans Risk Register did not record any risks; however, the process remains in place and is used for reassessments whenever relevant changes occur.

The findings of the risk assessment are incorporated by consolidating them (records/action plans) within the internal management control mechanism, subject to internal analysis and validation and, where appropriate, reflected in operational planning and decisions. Regular reporting is carried out through the internal channels set out in the procedure (including updates/reports on the risk management process) to senior management, and at the governance level, the Board of Directors is supported by the Audit Committee and the Risk Management Committee, which monitor and assess, where appropriate, risks and control measures and may request clarifications or updates. The relevant findings are also used to provide information to Transelectrica as part of the process of consolidating sustainability reporting at Group level.

Mitigation measures for critical projects (digitalisation / cybersecurity / DNSH). For REPowerEU/PNRR investments (e.g. data centres and IT&C equipment), Teletrans specifies the application of DNSH requirements, 'ECO' configurations, high energy efficiency (UPS/air conditioning) and the reduction of consumption/CO₂ – as measures to mitigate the environmental risks/impacts and improve energy efficiency associated with the projects.

Smart branch. At Smart, risk management and internal controls are supported by the internal management control framework and dedicated departments (Internal Audit, Financial Management Control, Integrated Quality-Environment-HSE Management – management control), which focus on compliance, process effectiveness and risk prevention/control. Smart operates an Integrated Management System (quality-environment-health and safety) backed by certifications, which is used as a mechanism for process control and continuous improvement. The findings of the risk assessment and internal audits are incorporated into the management cycle through regular reviews (including management reviews), action plans and updates to the registers, leading, where necessary, to re-planning and adjustments to controls. Regular reporting is carried out through internal channels to senior management (the Chief Executive Officer) and, where appropriate, to the Board of Directors, depending on the nature and significance of the

findings; relevant information is also provided to Transelectrica as part of the process of consolidating sustainability reporting at Group level. The main risks are:

- **environmental risks and climate change:** extreme weather events, such as storms, floods or high temperatures, can affect the electricity transmission network, resulting in additional costs for repairs and maintenance; Furthermore, inefficient management of waste resulting from maintenance activities may lead to compliance risks and potential penalties from environmental authorities;
- **Operational and energy efficiency risks:** Equipment wear and tear and the need to modernise the electricity transmission infrastructure represent a significant operational risk. The use of older equipment can lead to increased resource consumption and reduced operational efficiency; furthermore, the transition to renewable energy sources requires infrastructure upgrades and the implementation of technological solutions that may entail costs and operational challenges;
- **social and human resources risks:** another critical issue for Smart is the shortage of specialists in the energy sector; high competition in the labour market may make it difficult to attract and retain qualified staff, thereby affecting the Company's ability to implement strategic projects and meet ever-changing technological requirements.

Environmental inspections + contingency plans (annual simulation) and specific measures. Assessment of environmental aspects (criteria/indicators), identification of emergency situations and development of a prevention and response plan, which is simulated annually; examples of situations (oil/fuel spills/leaks) and measures (providing staff with biodegradable absorbent material), plus environmental management programmes with reduction/monitoring plans and restoration measures (ecological restoration). Within its environmental management programs, the Company establishes measures for monitoring, reducing, and remedying impacts, including, where necessary, works for the restoration of affected land and the ecological rehabilitation of the sites concerned, depending on the nature and extent of the identified impact.

4. Strategy, business model and value chain (SBM-1)

The Company's position within the national and European context

Transelectrica was established by Government Decision No. 627 of 13 July 2000, as part of the reorganisation of Compania Națională de Electricitate SA (CONEL). This restructuring led to the division of CONEL into four independent entities, each with a distinct role within the energy sector: Transelectrica – the electricity transmission and system operator; Electrica – responsible for distribution; Hidroelectrica and Termoelectrica – specialising in electricity generation. The aim of this restructuring was to improve the efficiency and modernise the national energy sector, bring it into line with European market requirements, and strengthen Transelectrica's critical role in ensuring the security and stability of the National Energy System (NES).

Consequently, transmission and system services have been completely separated from electricity generation, distribution and supply activities, ensuring a clear and efficient operational structure.

Under the law, the transmission of electricity is a public service of national and strategic importance. In its capacity as a transmission and system operator, Transelectrica operated under Licence No. 161/2000 for the provision of electricity transmission services, system services and the administration of the balancing market. Furthermore, following the expiry of Licence No. 161/2000 in 2025, by Decision No. 2505/02.12.2025, the President of ANRE approved the granting of Licence No. 2706/02.12.2025 for the provision of electricity transmission services, as well as system balancing services, for a period of 25 years⁸.

Transelectrica holds a concession for assets belonging to the state's public domain, namely the national electricity transmission network (RET), as it is a public utility company. The concession for the RET and the land on which it is situated was granted for a period of 49 years under Concession Agreement No. 1/29 June 2004, concluded between the Ministry of Economy and Trade, as the granting authority, and Transelectrica, as the concessionaire.

From a technical perspective, the National Energy System (NES) operates as an integrated infrastructure and is managed centrally by the sole transmission and system operator, Transelectrica. Within the electricity value chain, Transelectrica plays a central role as the transmission and system operator – a regulated natural monopoly – with the mission of providing the public service of electricity transmission whilst ensuring the operational safety of the national power system, under non-discriminatory access conditions for all users.

European policies on energy and environmental protection, implemented through legislative packages adopted at EU level, are aimed at strengthening energy security, improving energy efficiency, decarbonising the energy sector through the integration of renewable energy sources, and developing advanced energy storage solutions.

Transelectrica's collaboration with the regulatory authorities regarding the implementation of new projects that incorporate sustainability measures

In the electricity sector, Romania has approved plans in three main areas that are aligned with European policies on energy and combating climate change (the European Green Deal, the Fit-for-55 package, the Net-Zero Industry Act, the Renewable Energy Directive, the Electricity Market Design Reform, the Action Plan for Grids, etc.):

- **integration of RES (Renewable Energy Sources):** an objective set out in the National Integrated Plan for Energy and Climate Change (PNIESC);
- **reducing greenhouse gas emissions:** the timetable for the decarbonisation of the electricity generation sector (Government Emergency Ordinance No. 108/2022);
- **the integration of the single European electricity market:** Action plan to increase the cross-border interconnection capacity of Romania's electricity transmission network in accordance with the provisions of Article 15 of EU Regulation No 943/2019.

In light of the above, Transelectrica's **Ten-Year RET Development Plan** is the key strategic document that sets out the Company's investment efforts in its capacity as Romania's electricity transmission system operator (TSO), with a view to providing coherent support for the three nationally approved strategic directions and plans.

⁸ The specific conditions are set out in the annex to ANRE Decision No. 2505 of 2 December 2025, the text of which is also available online on the Transelectrica website (<https://www.transelectrica.ro/web/tel/licente-si-autorizatii>).

The RET Development Plan for 2024–2033 was approved by ANRE by Decision No 2715 of 17 December 2024. The plan includes sections covering investments in transport infrastructure designed to integrate new generation capacity in the Dobrogea and Moldova regions (primarily renewable energy sources and nuclear power), as well as increasing Romania's cross-border interconnection capacity with neighbouring states, including those that are EU members (the latter relates to the commitments undertaken in the aforementioned Action Plan).

As part of the process of reviewing and approving the RET Development Plan, ANRE ensures that the investments proposed by Transelectrica are in line with the strategic directions established at national level in the electricity sector and are sufficient and implemented in a timely manner to meet the objectives set out in the national plans. Following the approval of the RET Development Plan, ANRE monitors the progress of the investments set out in the plan.

With particular regard to the objective of increasing interconnection capacity, ANRE monitors the progress made by Transelectrica in increasing cross-border interconnection capacity and in adhering to the timetable for increasing cross-border capacity set out in the action plan. Transelectrica requested and obtained annual exemptions from ANRE between 2020 and 2025 for failing to meet the approved trajectory for the gradual increase in interconnection capacity with neighbouring EU Member States, whereby annual interconnection targets were set that were lower than those provided for in the approved action plan. Derogation procedures require prior consultation with all relevant regulatory authorities across the EU, in order to assess any adverse effects that granting a derogation at Member State level might have on the European market and on the targets set for other Member States. Deviating from the action plan approved by the Romanian government is not a one-off or isolated occurrence. Similarly, many other TSOs in the EU have requested exemptions from the action plans of their respective Member States. The procedure for granting those exemptions involved consultation with the other regulatory authorities in the EU, including ANRE.

Key categories of services provided. Transelectrica carries out regulated activities, primarily as a transmission and system operator, providing services related to the operation of the National Power System, including:

- the public electricity transmission service (operation, maintenance and development of the electricity transmission network);
- system services (reliable and stable system operation);
- management of the balancing market and related services (specific operational roles, including capacity measurement/allocation, where applicable);
- infrastructure and critical control centre functions (DEN/DET, EMS/SCADA) and associated operational support.

Given the nature of the Company, no significant services were introduced or discontinued during 2025.

Key markets. The Company operates in the regulated market for transmission and system services and in operational segments/markets related to its functions (for example, markets and mechanisms associated with balancing and interconnections). The main categories of service beneficiaries include relevant stakeholders in the energy sector (e.g. distribution operators, market participants, where applicable), within the regulatory framework established by ANRE. There were no significant changes in the markets/customer groups served during the period 2025.

Categories of services offered			Electricity markets	Customer categories
The National Grid Transmission and System Operator	Balancing Market Operator – OPE	Metering operator for the wholesale electricity market – OMEPA Metering Division	Administration of electricity markets	End customers – consumers
The electricity transmission network infrastructure	Balancing market platform	The metering system	The capacity allocation market for interconnection lines	
The dispatch infrastructure (EMS/SCADA – Energy Management System / Supervisory Control and Data Acquisition) being implemented within the Operational Unit – the National Energy Dispatch Centre (DEN) and the five Regional Dispatch Centres (DET)			The technology and systems services market	
Allocation of capacity on interconnection lines			Balancing market	
Green certificates			The spot market	
			The intraday market	
			The centralised market for bilateral electricity contracts	
			+The green certificate market	

Number of employees by geographical area

Number of Group employees by geographical region			
	Area	2024	2025
Transelectrica	Executive	503 people	492 people
	DEN	189 people	189 people
	STT Bacău	142 people	141 people
	STT Bucharest	198 people	195 people
	STT Cluj-Napoca	151 people	154 people
	STT Constanta	169 people	170 people
	STT Craiova	184 people	182 people
	STT Pitești	150 people	150 people
	STT Sibiu	155 people	159 people
	STT Timisoara	185 people	186 people
	TOTAL	2026 people	2018 people
Teletrans	Executive	132	31 people
	Bacau	21	18 people
	Craiova	21	21 people

	Timisoara	19	19 people
	Cluj	10	18 people
	Constanta	9	9 people
	Pitesti	10	8 people
	Sibiu	20	11 people
	TOTAL	242 people	235 people
Smart	Executive	87 people	62 people
	SM Bacău	51 people	51 people
	SM Bucharest	32 people	63 people
	SM Cluj	54 people	55 people
	SM Constanta	73 people	70 people
	SM Craiova	70 people	72 people
	SM Pitești	71 people	69 people
	SM Sibiu	87 people	84 people
	SM Timisoara	75 people	74 people
	TOTAL	600 people	600 people
GROUP	TOTAL CONSOLIDATED	2868 people	2853 people

Breakdown of total revenue

OMFP		thousand RON	thousand RON
Types of activities	Income	31.12.2024	31.12.2025
Activities permitted to generate a profit:	Operating income: transmission and other revenue from the energy market: regulated tariff, other revenue from the energy market, interconnection	2,086,656	2,272,788
Activities permitted to generate a profit: Other income	Operating income: other income	280,518	102,172
Non-profit activities	Income from system services	571,078	564,253
Non-profit activities	Income from the balancing market	4,965,724	2,676,211
	Total	7,903,976	5,615,424

IFRS 8		thousand RON	thousand RON
Types of activities	Income	31.12.2024	31.12.2025
Activities permitted to generate a profit:	Operating income: transmission and other revenue from the energy market: regulated tariff, other revenue from the energy market, interconnection	2,086,656	2,272,788
Activities permitted to generate a profit: Other income	Operating income: other income	178,498	101,248
Non-profit activities	Income from system services	571,078	564,253
Non-profit activities	Income from the balancing market	4,965,725	2,676,211
	Total	7,801,956	5,614,500

Sustainability targets for services, customers, geographical areas and stakeholder relations. Sustainability targets are set out in strategic and planning documents (e.g. The RET Development Plan 2024–2033 and the Management Plan 2024–2028), and where quantified, they include KPIs and deadlines.

As part of the Electricity Transmission Network (RET) Development Plan for the period 2024–2033 – <https://www.transelectrica.ro/ro/web/tel/planul-de-dezvoltare-ret-2024-2033>, Transelectrica has identified a series of strategic investment projects aimed at modernising, expanding and increasing the efficiency of the electricity transmission infrastructure. These projects contribute to the security of supply for consumers, the integration of renewable energy sources (RES), the expansion of interconnection capacity and the reduction of grid losses.

At the same time, Transelectrica has set clear sustainability targets, which are included in the key performance indicators (KPIs) of the Management Plan and cover both energy efficiency and social equity.

Sustainability targets by service category	Electricity transmission service	Reducing transmission network losses	In accordance with the RET Development Plan 2024–2033
		Reducing internal energy consumption in power stations and administrative buildings	A reduction to 46,400 MWh for 2025, 46,300 MWh for 2026 and 46,200 MWh for 2027, in accordance with the KPIs set out in the Management Plan
		Increasing interconnection capacity with European energy systems	In accordance with the RET Development Plan 2024–2033
	System and balancing services	Optimising the National Grid's balancing mechanism through digital technologies and automation	In accordance with the RET Development Plan 2024–2033
		Implementation of smart grid solutions and the digitalisation of dispatch operations	In accordance with the RET Development Plan 2024–2033
Sustainability targets by geographical area	Moldova	Integration of output from new power stations	In accordance with the RET Development Plan 2024–2033
	Dobrogea	Integration of output from new power stations	In accordance with the RET Development Plan 2024–2033
	South-West Region	Integration of power station output	In accordance with the RET Development Plan 2024–2033
	Western Region (Banat, Crişana, Transylvania)	Increasing interconnection capacity and integrating generation from renewable energy sources	In accordance with the RET Development Plan 2024–2033
	Muntenia and Bucharest-Ilfov	Integration of output from new power stations	In accordance with the RET Development Plan 2024–2033
Sustainability targets in relation to stakeholders	All stakeholders	Alignment with reporting in accordance with ESRS standards and the requirements of the European Taxonomy	In accordance with the RET Development Plan 2024–2033

	Angajați	Increasing the uptake of training in sustainability and digitalisation	In accordance with the RET Development Plan 2024–2033
		Reducing the gender pay gap	0.50% for 2025, 0.25% for 2026 and 0% for 2027, in accordance with the KPIs set out in the Management Plan

Assessment of significant services/markets in relation to sustainability objectives (gap assessment). A formal ‘gap analysis’ of significant services/markets in relation to sustainability objectives is currently being developed. For the 2025 report, the assessment is primarily qualitative, based on aligning the objectives and projects in the RET Development Plan/Management Plan with the identified thematic areas (including infrastructure resilience, energy efficiency, climate adaptation, governance and social aspects). The company plans to strengthen the methodological framework for quantitative assessments in the coming financial years.

The subsidiaries Teletrans and Smart generate added value for Transelectrica through their specialised activities, which are fundamental to the safety, reliability and operational efficiency of the national electricity transmission grid.

Teletrans, as a telecommunications and information technology operator, provides critical solutions for the digitalisation and security of Transelectrica’s infrastructure, supporting the continuous operation and optimisation of the national power system. Communications infrastructure and ICT services contribute to the stability and modernisation of the digital infrastructure in the energy sector.

Among the services provided by Teletrans to Transelectrica, those relating to the operations of the National Energy Dispatch Centre (DEN) constitute a distinct category. The strategic nature of DEN’s activities has also extended to IT&C services, with the aim of ensuring greater availability and providing services 24 hours a day, 7 days a week. To ensure the continuity of these services, Teletrans has organised its operations accordingly, with dedicated staff at each UNO DEN site (both at the National Energy Dispatch Centre and at the Regional Energy Dispatch Centres), operating on a 24-hour shift basis at these locations.

Providing high-availability IT&C services for the National Energy Dispatch Centre (DEN) is a key pillar in the transition towards a sustainable, digitalised and resilient energy system. The continuous operation of these services supports the efficient management of energy flows, contributing to the integration of renewable energy sources into the National Grid and to the optimisation of energy consumption. At the same time, by implementing advanced monitoring and cybersecurity solutions, Teletrans ensures the protection of critical infrastructure against emerging risks, maintaining the stability of the electricity grid and reducing the environmental impact.

On the other hand, Smart was established primarily to provide essential maintenance and repair services for the national energy infrastructure, playing a strategic role in ensuring the safety and continuity of the National Energy System (NES).

Smart carries out maintenance and repairs on Transelectrica’s facilities, thereby contributing directly to the resilience and operational continuity of the National Power System (NPS). This business model is underpinned by investments in predictive maintenance technologies, the

digitalisation of operational processes and resource optimisation, all of which are essential for managing sustainability-related risks.

Through its maintenance, repair and technical support services, Smart helps to reduce operational risks and improve the efficiency of the electricity grid. It also implements predictive maintenance technologies and digital solutions to optimise maintenance work and minimise environmental impact.

Strategic elements relevant to sustainability: future challenges, key solutions/projects. As part of its business model, Transelectrica actively contributes to the energy transition and the EU's sustainability goals, with the following priorities:

- the modernisation and expansion of transport infrastructure to facilitate the integration of renewable energy sources;
- increasing the resilience of infrastructure to climate and operational risks;
- improving energy efficiency through digitalisation and the implementation of automation solutions;
- reducing process losses and indirect emissions through investment in advanced equipment and infrastructure modernisation;
- developing interconnection capacity to improve the stability and security of the NES.

Transelectrica is implementing an integrated management system to ensure the efficient collection and management of the resources required for its operation and development.

Collection of resources and data	Development of infrastructure and technical solutions	Ensuring contributions through investment and corporate governance
Data on energy consumption, network losses, greenhouse gas emissions and infrastructure performance are collected using advanced digital systems (such as SCADA)	Investment projects for the modernisation and expansion of the network, included in the RET Development Plan 2024–2033	Transelectrica is accessing European and national funding for infrastructure development (the Upgrade Fund, RePowerEU)
Suitability analyses and forecasts of energy demand are carried out in order to anticipate investment needs	Smart grid technologies, voltage regulation devices and energy flow optimisation solutions are being implemented	We maintain an ongoing dialogue with stakeholders, including authorities, investors, local communities and strategic partners, to ensure transparency and efficiency in project development.
We maintain collaborative relationships with distribution operators and energy producers to ensure better integration of renewable energy sources	Pilot projects are being developed for digital networks (DigiTEL Alba Iulia, DigiTEL Green) to improve infrastructure monitoring and operational safety	

Transelectrica's business model is therefore built on the principles of efficiency, energy security and sustainability, and plays a vital role in the energy transition and the integration of renewables. Through a well-structured value chain and a proactive approach to the development of infrastructure and digital solutions, Transelectrica is consolidating its position as a strategic operator of the National Electricity System (NES), supporting the objectives of decarbonisation and modernisation of Romania's energy sector.

Description of the business model and value chain

Transelectrica acts as the transmission and system operator for Romania's national electricity system. The role of the TSO is defined by EU legislation and Romania's national electricity

legislation, including the secondary regulations issued by ANRE in its capacity as the national regulatory authority for the energy sector. Under national legislation, the transmission of electricity constitutes a public service of national interest. Operators of public services in the energy sector are subject to authorisation by ANRE. Transelectrica is subject to a set of public service obligations at national level, as laid down in legislation, its licence and other regulations issued by ANRE (e.g. the performance standard for the electricity transmission service and the system service). Other types of activities subject to authorisation within the electricity value chain include generation, distribution, storage, supply, trading, aggregation and the operation of centralised electricity markets. Transelectrica does not operate within these segments of the electricity sector, but participates in joint technical and commercial mechanisms alongside operators active in these segments, with a view to ensuring the functionality and efficiency of the entire sectoral framework within the electricity market.

From the perspective of the European requirements applicable to TSOs regarding the assurance of independence from the commercial interests of other participants/players in the energy market (generators, suppliers, traders, etc.) in accordance with the sectoral governance established at EU level, Transelectrica is certified under the 'ownership unbundling' model.

Transelectrica holds a monopoly at national level, being the only entity currently licensed to transmit electricity. Although EU and Romanian legislation contain provisions that do not preclude the existence of other entities acting as transport operators, to date no transport operator licences have been issued to other entities in Romania.

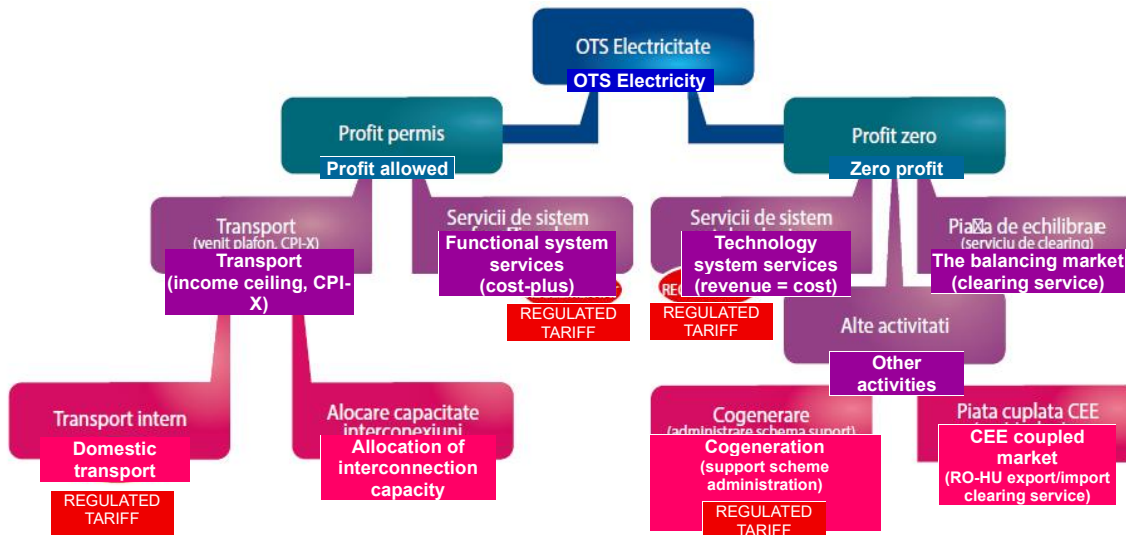
The strategy. Transelectrica's strategy is aligned with European decarbonisation targets, focusing on the modernisation of energy infrastructure, the integration of renewable energy sources and the improvement of energy efficiency. The company plays a key role in the energy transition, with its main priorities being the safe operation of the National Energy System (NES), investment in sustainable technologies and the digitalisation of operational processes.

Transelectrica's sustainability strategy therefore aims to optimise resource consumption, reduce its carbon footprint and adapt its infrastructure to new technological and climate-related requirements.

The business model. As part of its business model, Transelectrica contributes to the safe and efficient operation of the energy system by operating, maintaining and developing the transmission infrastructure and associated system functions. These contributions are supported by investments in modernisation and digitalisation, specialised human resources, operational capabilities (dispatching/monitoring) and institutional collaboration with authorities and system partners (including ANRE and ENTSO-E).

The collection and development of information relating to these contributions is based on internal monitoring and reporting mechanisms (e.g. operational and measurement systems, regular reports from the responsible units, performance indicators/KPIs), and the quality of the information is ensured through internal controls, checks/validations at the level of specialist functions and, where appropriate, through external verification as part of the limited assurance process.

Transelectrica operates under a regulated regime, deriving its revenue from transmission tariffs and system services set by ANRE. The company plays a key role in facilitating the integration of renewable energy sources, the digitalisation of the energy infrastructure and the reduction of environmental impact through investments in grid modernisation and advanced control and monitoring technologies.



**The tariffs charged by Transelectrica in connection with the regulated activities covered by the licence issued by ANRE are controlled by the Romanian state through the regulations established by ANRE. Given Transelectrica's monopoly position at national level, the Company's profitability is constrained by the ANRE regulatory framework through specific methodological guidelines applicable to the setting of regulated tariffs.*

*** Transelectrica has not declared any unregulated activities to ANRE.*

Current and anticipated benefits for customers, investors and other stakeholders. Transelectrica, as Romania's sole transmission system operator (TSO), has made significant progress in modernising and developing the national electricity transmission infrastructure. Through a strategy focused on operational efficiency, the integration of renewable energy sources and sustainability, the Company delivers key benefits to customers, investors and other stakeholders, as follows:

1. Benefits for customers
 - improving the security and stability of the energy supply – modernising critical infrastructure and implementing digital systems;
 - facilitating the transition to renewable energy – integrating renewable energy generation and feeding a greater amount of green energy into the grid;
 - reducing transmission losses and optimising energy consumption – modernising substations and power lines, and installing modern voltage regulation equipment.
2. Benefits for investors
 - financial stability and predictability – a stable regulatory framework that ensures a predictable return on investment; access to European funds (the Upgrade Fund, RePowerEU) supports the implementation of investment projects without putting pressure on operational costs;
 - increasing the Company's value through strategic investments – over €639 million has been allocated to modernising the network, with major projects in interconnection, digitalisation and the integration of renewable energy;
 - increased transparency – the adoption of the European Sustainability Reporting Standards (ESRS) provides investors with greater insight into a company's ESG performance.
3. Benefits for other stakeholders (authorities, communities, employees)

- contribution to national energy security – increasing interconnection capacity helps to stabilise prices on the energy market, thereby benefiting both consumers and national authorities;
 - improving energy efficiency and protecting the environment – modernising infrastructure reduces the environmental impact;
 - promoting equity and diversity in the workplace – reducing the gender pay gap is a priority, with the aim of eliminating it entirely by 2027.
4. Expected benefits in the medium and long term
- for customers – a more stable, efficient and better-integrated network with renewable energy;
 - for investors – a more resilient company with robust governance aligned with ESG objectives.
 - for public authorities and communities – a modernised infrastructure that supports national energy transition and energy security objectives.

Progress towards these benefits is monitored, where appropriate, using operational and performance indicators (e.g. implementation of maintenance/investment plans, energy efficiency indicators, customer relationship indicators).

In terms of customer performance indicators, the category focuses on the retention rate—an indicator of the stability of commercial relationships and confidence in the services provided—and the satisfaction score, which reflects customers' perceptions and experiences regarding the company's performance. These indicators help to monitor operational efficiency and social responsibility, thereby reinforcing a sustainable and performance-oriented business model.

Customer retention rate

Category	Indicator	Raw data	Formula
Customer-related indicators	Customer retention rate	Total number of clients Number of new customers	$\text{Rata de retenție a clienților}_t = \frac{\text{număr de clienți}_t - \text{număr de clienți noi}_t}{\text{număr de clienți}_{t-1}}$

Indicator	2024	2025	2026	2027	2028
Customer retention rate	100%	100%	100%	100%	100%

Customer satisfaction

Category	Indicator	Raw data	Formula
Customer-related indicators	Customer satisfaction score	Total number of 4 and 5 ratings received (5 being the highest score) Total number of reviews	$\text{Scor de satisfacție clienți}_t = \frac{\text{total număr evaluări de 4 și 5}_t}{\text{total număr evaluări}_{t-1}}$

Indicator	2024	2025	2026	2027	2028
Customer satisfaction score	75.00%	75.00%	75.00%	75.00%	75.00%

Resource and Performance Management. Transelectrica is focusing on improving its operational and financial performance by implementing resource-saving and energy-efficiency policies, reducing losses, and introducing innovative solutions to integrate renewable energy more effectively into the grid.

In this regard, Transelectrica reports on resource management, the efficiency of their use and their environmental impact, including the use of performance monitoring technologies and measures to reduce the impact on biodiversity and the environment.

Stakeholder relationship management. Transelectrica must maintain an ongoing dialogue with stakeholders, including regulatory authorities, investors, consumers and environmental groups, to ensure that its operations comply with sustainability standards and regulations and meet their expectations. Transelectrica takes a responsible approach to engaging with and communicating with stakeholders.

Financial sustainability and corporate governance. Transelectrica must ensure long-term financial sustainability by implementing responsible financial practices and ensuring sound corporate governance. These are essential for maintaining a balance between profitability and social and environmental responsibility.

In this regard, Transelectrica places particular emphasis on transparent reporting, complying with the ESRS requirements and thereby ensuring a clear understanding of its sustainability performance.

Characteristics of the upstream and downstream value chains and the company's position within the value chain. Transelectrica plays a central role in the electricity value chain, within the transmission and system operations segment, operating under a regulated regime. As regards key commercial partners, Transelectrica works with a wide range of commercial partners and strategic partners who contribute to the operation, maintenance and development of the national electricity transmission infrastructure. These stakeholders play a vital role in ensuring the continuity and stability of NES, forming an integral part of the Company's value chain.

Upstream, the relevant interaction involves equipment and service providers and subcontractors who contribute to the modernisation and maintenance of the infrastructure. Downstream, the value chain consists of the provision of transmission and system services to distribution operators and other energy market participants, with end users being the indirect beneficiaries of these services, within the scope of the Company's role.

1. **Equipment and service providers** ensure the supply of essential resources for the operation, modernisation and security of the electricity transmission network. They form an integral part of the Group's operational processes, contributing to the achievement of strategic objectives and to maintaining the stability of the National Power System (NPS).

Suppliers play a vital role in expanding and modernising electricity transmission capacity by supplying state-of-the-art equipment. They help to reduce technical losses and optimise energy consumption, ensuring that the transport infrastructure operates more efficiently. At the same time, by delivering solutions that comply with European standards, suppliers are helping Transelectrica to meet regulatory requirements and make the transition to a more sustainable and efficient energy system.

2. **Subcontractors and construction workers** contribute directly to the development, modernisation and maintenance of the electricity transmission infrastructure. Their work

is essential to ensuring the continuity and security of the National Power System (NPS), making them key players in the Group's supply and operations chain.

Transelectrica Group's suppliers and partners play an active role in the development of the electricity grid, facilitating the integration of an increasing number of renewable energy sources into the National Power System. By supporting projects to expand interconnections with the energy networks of neighbouring countries, they help to enhance regional energy security and stability.

3. **End users.** The Group's relationship with customers and end users is defined by the provision of critical electricity transmission and balancing services, thereby facilitating access to a secure, reliable and sustainable grid.

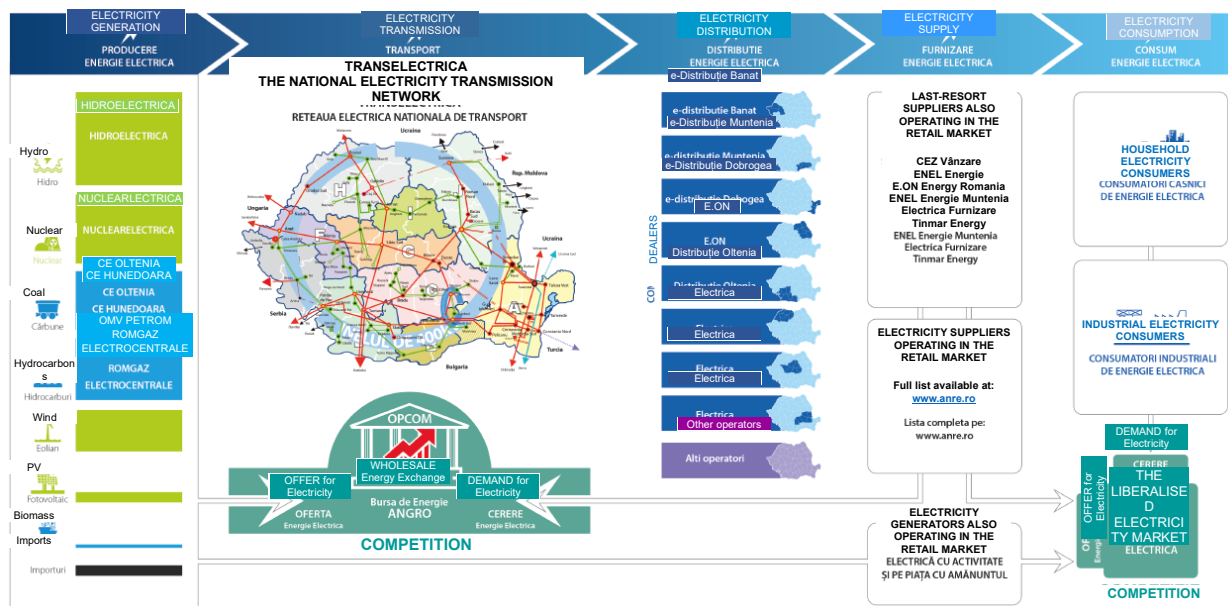
End users are all electricity consumers who benefit indirectly from the transmission and balancing of energy carried out by Transelectrica. End users are covered in the section 'Consumers and end users – ESRS S4'.

In conclusion, from an ESRS perspective, the Transelectrica Group's value chain consists of an extensive network of commercial stakeholders involved in Transelectrica's activities, each playing a vital role in the operation and development of the National Power System. By integrating these partners into the value chain, the company ensures Romania's energy security, improves operational efficiency and facilitates the transition to a sustainable energy system, in line with European decarbonisation and digitalisation objectives.

On the other hand, the route from producer to consumer comprises several specialised segments – energy generation (power stations of various types), energy transmission via high-voltage lines (Transelectrica – a regulated activity), energy distribution via high-voltage (at a lower voltage than that of the transmission operator), medium-voltage and low-voltage lines (a regulated activity) and energy supply (for which there is a regulated market and a free market). In addition, there is also trading activity, which involves buying and selling energy on various specialist markets.

Given Transelectrica's central role in the national energy infrastructure, the value chain identified within Transelectrica comprises the activities that generate value throughout the entire electricity transmission process, from generation to end consumers. These activities must be assessed from the perspective of economic, social and environmental sustainability.

The value chain therefore comprises activities that ensure an efficient, sustainable and responsible flow of energy from producers to consumers:



- a) **Energy production.** Although Transelectrica does not generate electricity, it is essential that it works in partnership with energy producers (conventional power stations, hydroelectric power stations, wind farms, solar farms, etc.) to ensure that the energy generated is efficiently integrated into the national grid. Sustainability considerations at this stage include compliance with environmental regulations and managing the impact on natural resources.
- b) **Electricity transmission.** Transelectrica transmits electricity via the high-voltage grid. Sustainability considerations at this stage include investment in infrastructure, the modernisation and maintenance of the electricity grid, energy efficiency and grid security. These activities are essential for ensuring reliable and sustainable energy transmission, as well as for minimising energy losses during transmission.
- c) **Distribution and delivery to consumers.** Although Transelectrica is not directly responsible for final distribution, it ensures the transmission of electricity to distribution operators, who will then supply it to end users. Ensuring a smooth transition between energy transmission and distribution to end users is essential.

In this regard, sustainability considerations require Transelectrica to work with distributors to support the transition to cleaner and more resource-efficient energy sources.

5. The interests and views of stakeholders (SBM-2)

Transparency and effective communication are essential pillars in building trustworthy partnerships, strengthening business relationships and ensuring strategic alignment between the parties involved.

The Transelectrica Group strictly adheres to the commitments it has made to investors, shareholders and all stakeholders, ensuring a transparent, open and consistent communication framework. Through sound corporate governance and responsible practices, the Group aims to strengthen stakeholder confidence by providing relevant and up-to-date information, thereby fostering a sustainable relationship based on professionalism, integrity and predictability.

Identifying and selecting interested parties

As part of our sustainability-focused management strategy, it is essential to engage a diverse range of stakeholders, whose expectations influence the Transelectrica Group's activities, contribute to the achievement of its objectives and may, in turn, be affected by its decisions and operations.

Stakeholder groups play a vital role in supporting and ensuring the sustainable development of the Transelectrica Group, contributing both to its long-term stability and to the validation and implementation of its strategies and plans. The relationship between the Transelectrica Group and these stakeholders can only function effectively if their expectations and needs are taken into account and met to a reasonable extent. In this way, a mechanism of mutual support is created, whereby the Transelectrica Group receives support, whilst its partners maintain their trust in and commitment to the organisation.

As part of the annual review for the current reporting period, the Transelectrica Group has reaffirmed the stakeholder categories used in the previous year's Sustainability Report.

As regards Transelectrica, the list of stakeholder categories remains unchanged from last year, as no changes have been identified that would require the introduction of new categories (e.g. structural changes to the business model, major reorganisations of the value chain, regulatory changes creating new categories of stakeholders, significant changes to the scope of activity or the type of projects).

Stakeholder category	Level of influence	Expectations	Terms of collaboration	Purpose	Stakeholder / User of the Sustainability Report
Shareholder	High	Operational performance; Financial stability and long-term profitability; Ensuring the security and resilience of critical infrastructure;	Active participation in the decision-making process (General Shareholders Meeting); Regular monitoring and reporting; Alignment of investment strategies	Ensuring sustainable and profitable growth; Maximising the return on investment; Maximising the return on investment;	User of the Sustainability Report
Integrated Management System	High	Sustainable financial and operational performance; Accelerated modernisation and digitalisation; Human resources development and retention;	Strategic decision-making and long-term planning; Performance monitoring and optimisation; Communication and transparency	The development and modernisation of energy infrastructure; The transition to a digitalised and sustainable	Indirect impact (performance liability, exposure to operational risk/ reputation-related)

Stakeholder category	Level of influence	Expectations	Terms of collaboration	Purpose	Stakeholder / User of the Sustainability Report
		Effective collaboration with stakeholders;	towards investors and stakeholders;	energy system; Enhancing operational resilience and security;	
Employees	High	Job security and stability; Modern working conditions and operational safety; A competitive salary package and attractive benefits; Professional development and opportunities for advancement;	Individual employment contract (CIM); Ensuring optimal health and safety conditions at work; Performance appraisal and reward system; Training and mentoring programmes;	Ensuring the safety and efficiency of the NES; Contributing to the modernisation and digitalisation of the energy infrastructure;	Affected – Working conditions, health and safety, professional development
Partners / Other TSOs in Europe	High	Interconnectivity and optimal interoperability; Exchange of best practices and technological innovation; Cyber security and the protection of critical infrastructure;	Active participation in international networks and associations; Partnerships in research and development projects; Transfer of know-how and best practices;	Creating an integrated and resilient European energy system; Strengthening the resilience of critical infrastructure;	Users of the Sustainability Report
ANRE	High	Compliance with regulations and energy legislation; Optimisation of the operation of the National Energy System (NES); Development and modernisation of energy infrastructure;	Establishing the regulatory and compliance framework; Regular monitoring and auditing; Approval of strategic investments; Ongoing reporting and information sharing;	Consumer protection and tariff transparency; Ensuring a secure and stable energy system; Enhancing the resilience of energy infrastructure;	User of the Sustainability Report
ASF/BVB	High	Robust corporate governance and compliance with capital market regulations; Transparency and accurate financial reporting;	Transparency and ongoing communication with investors (publication of periodic and interim reports); Compliance with regulations and reporting standards;	Creating a transparent business environment that is attractive to investors; Maintaining financial stability and the Company's value;	User of the Sustainability Report

Stakeholder category	Level of influence	Expectations	Terms of collaboration	Purpose	Stakeholder / User of the Sustainability Report
The Company's subsidiaries	High	Clear contracts and financial stability; Fair cooperation;	Service contracts and service level agreements (SLAs); Collaboration – Transfer of know-how and implementation of best practices;	Cost optimisation and improved operational efficiency; Digitalisation and securing of the energy transmission network;	Affected – Contractual stability, operational performance
Suppliers / Contractors	High	Stability and predictability in contractual relationships; Transparency in the procurement process; Adherence to payment terms and conditions; Flexibility and effective communication;	Transparent and competitive procurement processes; Contractual relationships	Building a sustainable and resilient supply chain	Affected – Delivery times, quality, compliance
Government	High	Ensuring national energy security; Developing and modernising energy infrastructure; The energy transition; Contributing to economic growth and job security;	Regulation and supervision by the Ministry of Energy and ANRE; Collaboration on strategic projects;	Ensuring a secure and sustainable energy system; Developing a modern energy infrastructure; Supporting economic development and the labour market;	User of the Sustainability Report
Energy market participants	High	Efficient operation and stability in electricity transmission; Fair and transparent access to transmission infrastructure; Fair tariffs and cost predictability; Development of interconnections and access to external markets;	Transparent allocation of transmission capacity; Providing a clear regulatory and reporting framework;	Ensuring a stable and competitive energy market; Facilitating the transition to a sustainable energy system; Increasing market transparency and accessibility;	Those affected – Access to infrastructure, prices, tariffs
Electricity producers / suppliers	High	The development and adaptation of the RET in line with industry trends, ensuring the system's suitability and	Transparent grid connection procedures; Collaboration with producers and distributors to adjust production;	Optimising infrastructure to support the development of the energy market	Affected – Network security, continuity of supply

Stakeholder category	Level of influence	Expectations	Terms of collaboration	Purpose	Stakeholder / User of the Sustainability Report
		maintaining operational safety			
International organisations/institutions (ENTSO-E, regional centres, etc.)	Average	Compliance with agreed obligations; Contributing to the development of policies and strategies adopted at ENTSO-E level; Adopting a sustainable operating model;	Active participation in ENTSO-E and regional centres; Exchange of information and best practices;	Improving the security and resilience of transmission networks; Ensuring a stable and integrated European energy system;	Users of the Sustainability Report
Trade unions	Average	Protecting employees' rights, ensuring fair working conditions and fostering a stable and motivating organisational environment	Negotiation and updating of the Collective Bargaining Agreement (CCM); Social dialogue and regular meetings; Involvement of trade unions in strategic decisions regarding human resources;	Creating a safe and motivating working environment; Stability and the protection of employees' rights;	Users of the Sustainability Report
Banks, financial institutions	Average	Financial stability and predictability; Adherence to financial commitments and fiscal discipline; Transparency in financial reporting and compliance with regulations;	Securing funding for strategic investments; Management of accounts and financial instruments	Optimising financing costs and managing capital efficiently; Developing long-term strategic financial partnerships;	Users of the Sustainability Report
Mass-media	Average	Transparency and rapid access to relevant information; Proactive and open communication with the press; Transparency in the event of	Publishing reports and press releases; Availability for interviews and official statements; Prompt	Increasing transparency and public trust; Preventing misinformation;	User of the Sustainability Report

Stakeholder category	Level of influence	Expectations	Terms of collaboration	Purpose	Stakeholder / User of the Sustainability Report
		crises or operational incidents;	management of crisis situations;		
NGOs	Small (with a tendency to grow in the new European context)	Adherence to the principles of sustainability and environmental protection; Transparency in strategic decisions and infrastructure investments; Public consultation and open dialogue with civil society; Respect for social rights and consideration of the impact on local communities;	Regular dialogue and consultation; Collaboration; Partnerships for environmental and social projects; Participation in international events and conferences;	Reducing environmental impact and protecting biodiversity; Promoting social responsibility and supporting local communities;	Affected – Social and environmental impact
The population (end consumers)	Small	Security and continuity of electricity supply; Keeping transmission and system tariffs as low as possible	Transparency and regular updates;	Ensuring a reliable and secure energy system; Stability of electricity costs;	Affected – Service continuity, prices, energy quality

The aim of engaging with stakeholders is to gather and validate information relevant to decision-making, anticipate risks and improve performance, including in reporting. The outcomes of the dialogue are taken into account by incorporating them into the double materiality assessment, the updating of risks and control measures, the establishment or adjustment of relevant policies and actions, and, where appropriate, strategic planning and the content of the Sustainability Report.

With regard to stakeholder consultation, the Transelectrica Group operated on two complementary levels in 2025:

I. Integrated Stakeholder Feedback System (SIF-PI)

The first phase was the **Integrated Stakeholder Feedback System (SIF-PI)**, through which the Transelectrica Group gathered opinions, comments and reports from all categories of stakeholders.

To this end, the Company has posted on its website (*Investor Relations section – Current Reports – 2025 Archive*, 09.10.2025, respectively https://www.transelectrica.ro/documents/10179/18229990/28+RC+Feedback+sustainability+report_p.pdf/7a309d0d-67aa-44eb-a0f8-a1b66cd4723f?version=1.0), the standard feedback form

and launched the invitation to public consultation on the Sustainability Report for the 2024 financial year via a Current Report published on 09.10.2025.

II. Specific consultation on ESG-related topics

The second phase focused on **specific consultation on ESG-related topics**, for which the Transelectrica Group has published a dedicated form on the Company's website, accessible to all stakeholders (section *Home* – *All news* – https://web.transelectrica.ro/noutati/lista_noutati.html). This form enabled stakeholders to express their views on the materiality of ESG issues, and the findings have been incorporated into the process of updating the double materiality analysis and into this Sustainability Report. The form has been published on the Company's website, where it is accessible to all interested parties without restriction, to ensure easy access to the consultation process.

Consequently, in 2025, the Transelectrica Group gathered and analysed the views of the main stakeholder groups through the public consultation accompanying the reporting process and via the questionnaire on ESG material issues, which was used to update the double materiality analysis. The aggregated results indicated a consistent focus on the continuity and security of the NES and on accelerating the modernisation/digitalisation of infrastructure, alongside environmental and social issues that were predominantly rated as moderate–significant or significant–very significant (e.g. energy efficiency/internal consumption, management of potentially polluting substances such as SF6 and waste; health and safety at work, work–life balance, social dialogue; ethical culture, corruption prevention and whistleblower protection).

These views were analysed as part of the due diligence process and/or the materiality assessment and were used to validate and, where appropriate, adjust the priorities in the double materiality analysis; they are reflected in the description of the impacts, significant impacts, risks and opportunities (IRO-1) and in the presentation of elements relevant to the strategy and business model in the sustainability report.

During the reporting period, the Transelectrica Group did not make any major structural changes to its strategy or business model driven solely by the interests and views of stakeholders, given that the Company's activities are predominantly regulated, and strategic directions are established through applicable planning and governance instruments (e.g., the RET Management Plan and Development Plan). However, feedback received through consultation channels is taken into account, particularly with a view to clarifying priorities, improving transparency and strengthening ESG performance reporting and monitoring processes.

In this context, the Group plans to gradually strengthen the way in which it incorporates relevant feedback into its internal processes (for example, when updating its double materiality analysis, defining or updating indicators, and planning actions relating to material issues).

As part of its planned additional measures, the Transelectrica Group intends to gradually formalise the processes for gathering and consolidating stakeholder feedback and to improve the mechanisms for reporting this internally over the course of the coming reporting periods, subject to available resources and changes in reporting requirements. These measures may lead to a more structured relationship with certain categories of stakeholders and to greater traceability of how their comments are reflected in reporting and, where appropriate, in actions, without anticipating any significant changes to the business model at this stage.

The Management Board and the Supervisory Board are informed of the views and interests of the affected stakeholders, as they relate to sustainability impacts, through this Sustainability Report.

As regards Teletrans and Smart, the list of stakeholder categories remains unchanged from last year, as no changes have been identified that would require the introduction of new categories (e.g. structural changes to the business model, major reorganisations of the value chain, regulatory changes creating new categories of stakeholders, significant changes to the scope of activity or the type of projects).

Teletrans		
Stakeholder category	Terms of collaboration	Stakeholder / User of the Sustainability Report
Transelectrica	Dividend distribution and maximising return on invested capital Ensuring transparency regarding the Company's activities Maintaining the level of achievement of profitability indicators	User of the Report (and indirect exposure via performance/dividends)
Stakeholders	Guidelines for stakeholder relations	Users of the Report
Company	Business continuity and the provision of services in accordance with the agreed quality standards Sustainable development, whilst maintaining profitability Transparency in decision-making and procedures	Affected
The most important client – Transelectrica	Ensuring the optimal functioning of the IT&C component of the parent company's operations Ensuring the smooth running of contractual relationships Continuously adapting the service package to new technological developments or legislative changes Crisis management	Directly affected (availability/quality of IT&C services)
Clients	Ensuring the availability and quality of the services provided in accordance with the agreed terms Streamlining contractual relationships	Directly affected (service quality/continuity)
The National Authority for Communications Administration and Regulation (ANCOM)	Compliance with the obligations arising from the licence issued Compliance with quality and performance standards for the services provided Participation in regulatory and standardisation initiatives Ensuring transparency in operations	Report user (regulation/compliance)
The Romanian State, represented by the General Secretariat of the Government, acting as the supervisory authority	The operation of the IT&C infrastructure supporting the national electricity transmission network and the system operator in a manner that ensures efficiency, security and profitability Implementation of the provisions of the SGG, and submission of all requested reports, analyses and documents.	Report user (regulation/compliance)
Agency for the Monitoring and Evaluation of the Performance of Public Enterprises (AMEPIP)	Compliance with corporate governance legislation for public enterprises	Report user (regulation/compliance)

Employees	Implementation of a human resources policy based on performance management Ensuring the professional development of employees by establishing coherent career paths and professional development programmes Incentivising employees financially through profit-sharing based on performance criteria	Directly affected (working conditions / development / remuneration)
Contractual partners (suppliers, service providers, etc.)	Streamlining procurement and contracting procedures Ensuring transparency in accordance with legal provisions Promoting principles of business ethics	Affected (contractual relationships / requirements / deadlines)

Smart				
Category	Key stakeholders	Interest in Smart	Engagement methods used	Stakeholder / User of the Sustainability Report
Regulatory and government authorities	ANRE, the Ministry of Energy, European bodies	Compliance with current legislation, energy network security, energy sustainability	Regular meetings, official reports, public consultations	Users of the Report (monitoring/compliance)
Shareholders and the parent company	Transelectrica	Financial and operational performance, efficiency of infrastructure maintenance and modernisation	Activity reports, strategic meetings, financial presentations	Report user (and indirect impact via performance/contracting)
Employees	Technical and administrative staff, trade unions	Working conditions, safety, opportunities for professional development	Internal surveys, training sessions, trade union meetings	Directly affected (working conditions/health and safety/development)
Suppliers and partners	Companies providing equipment, IT services and consultancy	Stability of commercial relations, compliance with contracts, quality of deliveries	Regular meetings, performance reviews, contract negotiations	Affected (contractual relationships/requirements/ deadlines)
Local communities and the general public	Residents of areas affected by the Smart project, environmental NGOs	Impact on the environment and the community, project transparency	Public consultation sessions, communication platforms, leaflets and local information	Affected (local environmental/social impact); Report users (for information purposes)
Academic and research institutions	Universities, research centres	Developing innovative technologies, promoting energy efficiency	Partnerships for research projects, work placements and joint conferences	Users of the Report (primarily)

6. Significant impacts, risks and opportunities, and their interaction with the strategy and business model (SBM-3)

A description of the significant impacts, risks and opportunities. The significant impacts, risks and opportunities identified through the materiality assessment (DMA) relate primarily to Transelectrica's role as a transmission system operator and to the management of critical infrastructure (RET, substations/overhead lines, dispatch centres and IT/OT systems). In the area of its own operations, these focus in particular on: environmental impacts associated with the operation and maintenance of facilities (accidental pollution/management of substances and waste), impacts on biodiversity and land use resulting from construction works and the presence of infrastructure (including potential effects on species), as well as social impacts/risks related to occupational health and safety, skills and adaptation to digitalisation. In terms of risks, the relevant factors include operational and service continuity risks (malfunctions, breakdowns, extreme weather events), as well as compliance and regulatory risks.

With regard to cyber security risks, at the Teletrans subsidiary, the risk reassessment carried out in 2025 did not result in any risks being recorded in the 2025 Risk Register; consequently, cyber security risk does not appear as a separate risk in the company's register.

This situation is explained by the absence of any significant incidents recorded during the period under review and by the existence of a control and compliance framework (including the Information Security Management System – ISO/IEC 27001:2018, alongside the management systems in place), which helps to keep risks within manageable limits. In addition, the digitalisation and modernisation components (PNRR–REPowerEU), which include elements dedicated to cybersecurity and DNSH measures, support the strengthening of capabilities and the reduction of exposure.

At Group level, however, the matter remains under review through business continuity, cyber security and internal control mechanisms, and will be reassessed should there be any significant changes to the threat landscape, incidents or regulatory requirements.

In the upstream value chain, significant IROs are concentrated in relationships with contractors and suppliers involved in construction, maintenance, equipment and services (including the availability of treatment/recycling solutions and the risk of non-compliance with environmental and safety standards), as well as in technological dependencies relating to digitalisation and security.

In the downstream chain, risks and opportunities manifest themselves through their impact on the provision of transmission and system services to distribution operators and market participants and, indirectly, on end users, particularly in terms of service continuity and quality, the integration of renewable energy generation, and the modernisation and digitalisation of infrastructure and operational data exchanges.

The current and anticipated effects of IRO. The significant impacts, risks and opportunities identified through the DMA are already influencing – and are expected to continue to influence – investment prioritisation, maintenance planning, the digitalisation and securitisation of critical infrastructure (RET/DEN/IT-OT), as well as compliance within a highly regulated framework. Currently, these effects are reflected in the growing need to modernise, expand and strengthen the grid in order to integrate renewable energy sources and maintain operational safety, as well as in the need to strengthen cybersecurity measures and the digital capabilities required for operations and data exchange.

Within the value chain, these effects manifest themselves in the form of dependencies on suppliers/contractors (equipment, works, IT&C services) and increased requirements for coordination with system stakeholders (generators, DSOs, market participants) to ensure service continuity and the stability of the National Electricity System.

Transelectrica Group's response is primarily incremental (not a structural change to the regulated business model) and consists of reinforcing the strategic directions already adopted: accelerating investment programmes, digitalisation and cybersecurity, risk management and compliance, including through planning mechanisms (the Management Plan/RET Development Plan) and by monitoring performance via KPIs (e.g. internal electricity consumption and social targets such as reducing the pay gap), which are also used in the decision-making process. Looking ahead, the Group intends to continue along these lines through key modernisation and digitalisation projects, by strengthening internal controls and risk management, and by making targeted adjustments to policies and operational/contractual requirements, where necessary to address significant impacts and risks or to capitalise on opportunities (e.g. green finance and resilience projects).

Significant impacts of the Group. With regard to significant impacts, the Transelectrica Group has identified both positive and negative impacts, which stem primarily from its role as a transmission system operator and from its management of critical infrastructure (transmission networks, substations, overhead power lines, dispatch centres and IT/OT systems).

(i) Effects on people and the environment. The positive impacts are reflected in the contribution to the security and continuity of the energy supply, the facilitation of the integration of renewable energy sources, and the improvement of operational efficiency and system resilience. Negative impacts may affect the environment and people through the occupation or fragmentation of habitats and changes in land use associated with infrastructure and construction works, potential effects on biodiversity, as well as risks of accidental pollution and the management of substances and waste resulting from maintenance and interventions. In social terms, significant impacts are associated in particular with health and safety at work (e.g. exposure/accidents) and, where applicable, with temporary local effects in communities caused by the works (e.g. disruption, traffic, noise).

(ii) Link to the strategy and business model. These impacts are directly linked to the Group's strategy and regulated business model: the operation, maintenance and development of the transmission network and the provision of system services are essential activities for fulfilling the TSO's mandate, whilst the modernisation/digitalisation of infrastructure and the expansion of interconnection capacity are strategic directions that can amplify positive impacts (resilience, integration of renewables), but may also generate negative impacts associated with investment works (e.g. land use/biodiversity), if not managed appropriately.

(iii) Expected timeframes. Unintended negative impacts (e.g. environmental incidents, operational safety incidents) are generally short-term in nature, whereas infrastructure-related impacts (land use, biodiversity, fragmentation) can have medium- and long-term effects. The positive impacts associated with investment, modernisation and digitalisation (resilience, integration of renewables, efficiency) are mainly realised in the medium to long term, depending on investment and implementation cycles.

(iv) The nature of the connection through business activities and relationships. The Transelectrica Group is affected by significant impacts primarily through its own activities (infrastructure operation, maintenance and development; dispatch) and, in certain cases, through business relationships within the value chain (suppliers and contractors involved in construction

works, maintenance, equipment and IT&C services; subsidiaries supporting critical maintenance/telecommunications/training activities). The nature of these relationships is particularly relevant to the social and environmental impacts associated with work carried out by third parties, and to compliance and data/service quality risks; for this reason, they are taken into account when assessing and managing significant impacts, risks and opportunities.

Current financial effects. Based on the assessments available at the reporting date, the Transelectrica Group has identified that certain significant impacts, risks and opportunities may have current financial effects on the financial position, financial performance and cash flows, and may, in certain scenarios, give rise to a significant risk of adjustment to the carrying amounts of certain assets and/or liabilities in the next annual reporting period. These include, but are not limited to: (i) the exposure of infrastructure to extreme weather events and adverse climatic conditions, with potential implications for repair/maintenance costs, asset availability and, where applicable, their valuation; (ii) regulatory developments and compliance requirements with a potential impact on investments and the schedule for the replacement/modernisation of equipment and installations; (iii) cyber security risks associated with IT/OT infrastructure and critical systems, with potential effects on operational continuity and response/remediation costs.

The current financial effects and the associated accounting treatment of these items are reflected, where appropriate, in the financial statements for the period, depending on the nature and occurrence of the events (for example, through operating expenses, investments, adjustments or asset valuations), and the assessment of the risk of adjustments to carrying amounts is reviewed periodically as part of internal risk management processes and during financial closings. Should any relevant developments or events arise in the future, the Group will update the disclosures in the report and the references to the relevant notes in the financial statements accordingly.

The anticipated financial impact of significant risks and opportunities. In the 2025 financial year, Transelectrica applies the transitional provisions set out in Appendix C to ESRS 1 (as amended by Delegated Regulation (EU) 2025/1416) and, consequently, it omits entirely the disclosure of information regarding the anticipated financial effects of significant risks and opportunities on the financial position, financial performance and cash flows in the short, medium and long term, as a full quantification is not reasonably available at this stage. The company will gradually develop its capacity to assess and quantify these effects, including by linking them to investment plans and planned sources of funding, as internal processes and available data mature.

The resilience of Transelectrica's strategy and business model is analysed in terms of its ability to maintain the continuity of public transmission and system services, to manage the significant impacts and risks identified through the double materiality analysis, and to capitalise on the opportunities associated with the energy transition. The analysis is primarily qualitative, given the regulated nature of the activity and its role as critical infrastructure, and takes into account both internal factors (asset condition, operational and maintenance capabilities, digitalisation and cybersecurity, human resources and skills) and external factors (regulatory developments, extreme weather events, the pace of renewable energy integration, regional interconnection requirements and access to finance). This assessment draws on information from internal risk management and internal control processes (the risk register, action plans and periodic reports), as well as from relevant strategic documents (the RET Management Plan and Development Plan), in order to assess the robustness of existing measures and the need for adjustments.

The time horizons applied are in line with the ESRS definitions. In the short term, resilience is primarily underpinned by operational and control mechanisms (dispatching, maintenance, safety and continuity measures) and by the ability to respond to acute risks. In the medium term, resilience depends on the implementation of investment and modernisation programmes, the strengthening of digital and cybersecurity capabilities, and adaptation to regulatory requirements and climate risks. In the long term, resilience depends on the rate at which assets are renewed, the development of interconnections, and the adaptation of infrastructure to structural changes in the energy system (electrification, large-scale integration of renewable energy sources, flexibility and storage). At this stage, the Transelectrica Group does not provide an aggregate quantification of resilience; the analysis will be progressively refined, including through the development of quantitative indicators and ranges, as internal processes mature and data becomes available.

Significant changes in the IRO compared with the previous reporting period. Compared with the previous reporting period, the set of material IROs has been revised following an update to the double materiality analysis. Following a reassessment of materiality, the criteria applied and the available information, the list of material IROs was narrowed down by removing items that no longer met the materiality thresholds and by consolidating similar topics, in order to more accurately reflect the high-priority areas for the Company and its stakeholders.

To clarify the distinction between the standardised ESRS requirements and entity-specific additional disclosures, the Transelectrica Group states that significant IROs identified are reported primarily through the disclosure requirements set out in the relevant ESRS (ESRS 2 and applicable thematic standards). Where certain significant IROs are not adequately covered by the standardised requirements or require contextualisation specific to the role of a transmission system operator, the Group provides additional entity-specific disclosures, solely to supplement the understanding of the context, without superseding the mandatory requirements of the ESRS.

Comparison table of materials		
Theme 2024/2025	Theme 2025/2026	Explanations
Climate change – adapting to climate change	Climate change – adapting to climate change	-
Climate change – climate change mitigation	Climate change – climate change mitigation	-
Climate change - Efficiency	Climate change - Efficiency	-
Air pollution	Air pollution	According to the 2025 DMA, no significant air emissions have been identified; relevant risks may be associated with losses of insulating gases (SF6). Air pollution is limited and generated by auxiliary activities. The Company continuously monitors atmospheric emissions through contracts with specialized companies.

Water pollution	-	According to the DMA 2025, no significant operational discharges into water bodies have been identified; the relevant risks relate to accidental spills that may affect the soil and, in isolated cases, groundwater. To avoid duplication, these are reported under the consolidated heading 'Soil pollution' (E2) and through incident prevention/management measures, without a separate 'Water pollution' subsection in 2025/2026.
Soil pollution	Soil pollution	-
Water and marine resources – water consumption	-	According to the DMA 2025, ESRS E3 (Water and marine resources) is immaterial (monitoring), as there are no IROs on the shortlist; water consumption, abstraction and discharge are not significant to the business model. Consequently, this issue will not be addressed in 2025/2026 (it will continue to be monitored and reviewed annually).
Biodiversity and ecosystems – Key factors directly influencing the decline in biodiversity (Climate change)	-	According to the updated DMA, in the current year the sub-topic "climate change" is no longer treated separately under ESRS E4, as it was no longer identified as a distinct material sub-topic for biodiversity; climate-related effects are addressed predominantly under ESRS E1, while E4 retains the more direct impacts that are more specific to Transelectrica's activities.
Biodiversity and ecosystems – Drivers of direct impact on the decline in biodiversity (Land-use change)	-	According to the DMA 2025, the sub-theme in ESRS E4 – 'Land-use change' (a key driver of direct impacts on biodiversity loss) – was assessed as non-material (under monitoring), as no significant IROs associated with it were identified in the shortlist. Under Transelectrica's business model, works and investments mainly involve modernisation and technological upgrades at existing sites and along existing corridors, and situations that would involve significant changes in land use are limited and are managed through the applicable authorisation framework (approvals/permits and environmental conditions), without exceeding the materiality thresholds established for reporting.
Biodiversity and ecosystems - Pollution	Biodiversity and ecosystems - Pollution	-
-	Biodiversity and ecosystems – Impacts on the condition of species – Species population size	The topic is material in the current year following the explicit identification of the impact of overhead power lines on avifauna, through collision and electrocution risks, with a potential effect on the population size of the affected species; in the previous year, this impact was not treated separately.
Circular economy – Resource inputs, including resource use	Circular economy – Resource inputs, including resource use	-

Circular economy – Resource flows associated with products and services	Circular economy – Resource flows associated with products and services	-
Circular economy - Waste	Circular economy - Waste	-
In-house workforce - Working conditions (Safe workplaces)	In-house workforce - Working conditions (Safe workplaces)	-
Own workforce - Working conditions (Working hours)	-	According to the DMA 2025, the materiality for S1 is determined primarily by occupational health and safety and skills; issues relating to working hours are considered to be addressed through the legal framework and existing mechanisms.
Own workforce – Working conditions (Fair pay)	-	According to the DMA 2025, the materiality for S1 is primarily determined by occupational health and safety and skills; issues relating to fair pay are considered to be addressed through the existing legal framework and mechanisms.
Own workforce – Working conditions (Social dialogue)	-	According to the DMA 2025, the materiality for S1 is determined primarily by occupational health and safety and skills; social dialogue issues are considered to be addressed through the legal framework and existing mechanisms. In 2025/2026, the information is presented in an integrated manner (e.g. under requirement S1-8 / HR processes), without a separate sub-section in the comparative table.
In-house workforce – Working conditions (Freedom of association, the existence of works councils, and workers' rights to information, consultation and participation)	-	According to the DMA 2025, no significant IROs specific to freedom of association or works councils have been identified (these are covered by labour legislation and current practices). In 2025/2026, this topic is addressed in the context of governance and employee engagement processes, without a separate presentation on the sub-sub-theme.
Own workforce – Working conditions (Collective bargaining, including the proportion of workers covered by collective agreements)	-	According to the DMA 2025, collective bargaining is a stable issue, covered by collective agreements and the legal framework, with no significant variations or risks identified in the IRO's shortlist. In 2025/2026, the relevant information is reported on an aggregate basis (S1–8), which is why this sub-theme is not detailed separately.
In-house workforce - Working conditions (Work-life balance)	In-house workforce - Working conditions (Work-life balance)	-
In-house workforce - Working conditions (Health and safety)	In-house workforce - Working conditions (Health and safety)	-
In-house workforce – Equal treatment and equal opportunities for all (Gender equality and equal pay for work of equal value)	-	According to the DMA 2025, no significant IROs specific to gender equality and equal pay for work of equal value have been identified

In-house workforce – Equal treatment and opportunities for all (Training and skills development)	In-house workforce – Equal treatment and opportunities for all (Training and skills development)	--
In-house workforce – Equal treatment and opportunities for all (Employment and inclusion of people with disabilities)	-	According to the DMA 2025, no significant IROs specific to the employment and inclusion of people with disabilities have been identified
In-house workforce – Equal treatment and opportunities for all (Measures against violence and harassment in the workplace)	-	According to the DMA 2025, no significant IROs specific to measures against violence and harassment in the workplace have been identified
In-house workforce – Equal treatment and opportunities for all (Diversity)	In-house workforce – Equal treatment and opportunities for all (Diversity)	-
In-house workforce - Other employment-related rights (Privacy)	-	According to the DMA 2025, privacy has not given rise to any material IROs; it is managed as a compliance requirement (GDPR, IT/HR policies) and not as a separate ESRS reporting topic. It will therefore not be addressed in 2025/2026.
Workers in the value chain – Working conditions (Safe workplaces)	-	According to the DMA 2025, no significant IROs specific to safe working conditions for workers in the value chain have been identified; materiality for S2 is determined primarily by occupational health and safety.
Workers in the value chain – Working conditions (Working hours)	-	According to the DMA 2025, no significant IROs specific to the working hours of workers in the value chain have been identified; materiality for S2 is determined primarily by occupational health and safety.
Workers in the value chain – Working conditions (Fair wages)	-	According to the DMA 2025, no significant IROs specific to fair wages for workers in the value chain have been identified; materiality for S2 is determined primarily by occupational health and safety
Workers in the value chain – Working conditions (Social dialogue)	-	According to the DMA 2025, S2 is material in terms of the risk of non-compliance within the value chain; however, social dialogue with suppliers/contractors is not within its direct control and was not considered relevant for reporting purposes. The issue is addressed through contractual clauses and due diligence, with no specific disclosures in 2025/2026.
Workers in the value chain – Working conditions (Freedom of association, including the existence of works councils)	-	According to the DMA 2025, the sub-theme of freedom of association/works councils for workers in the value chain is not material, given the nature of the contractual relationships and the absence of any significant identified IROs. Monitoring is carried out through compliance requirements

		included in the selection and evaluation of contractors.
Workers in the value chain – Working conditions (Collective bargaining)	-	According to the DMA 2025, no material IROs relating to collective bargaining have been identified for workers in the value chain, and the availability of data is reasonably limited. In 2025/2026, the approach will be based on contractual requirements and compliance mechanisms, without separate reporting.
Workers in the value chain – Working conditions (Health and safety)	Workers in the value chain – Working conditions (Health and safety)	-
Workers in the value chain – Equal treatment and equal opportunities for all (Gender equality and equal pay for work of equal value)	-	According to the DMA 2025, the material IRO for S2 focuses on contractors' basic compliance (SSM/environment), not on specific indicators relating to gender equality and pay at supplier level. Consequently, it will not be addressed in 2025/2026 (monitoring through procurement criteria/due diligence, where relevant).
Workers in the value chain – Equal treatment and opportunities for all (Training and skills development)	-	According to the DMA 2025, training and skills development are primarily relevant to the company's own workforce (S1), whilst for workers in the value chain, this sub-theme is not relevant from the perspective of control and available data. In 2025/2026, this is not reported separately.
Workers in the value chain – Equal treatment and opportunities for all (Employment and inclusion of people with disabilities)	-	According to the DMA 2025, the sub-theme of the inclusion of people with disabilities in the value chain is not material (lack of significant IROs and limited influence over suppliers' internal practices). It will therefore not be addressed in 2025/2026.
Workers in the value chain – Equal treatment and opportunities for all (Measures against violence and harassment in the workplace)	-	According to the DMA 2025, no material IROs relating to violence and harassment in the workplace within the value chain have been identified. Monitoring is carried out through a code of conduct, contractual clauses and reporting mechanisms, with no specific disclosures in 2025/2026.
Workers in the value chain – Equal treatment and opportunities for all (Diversity)	-	According to the DMA 2025, diversity issues are material for the organisation's own workforce (S1), whilst for the value chain they are classified as immaterial (limited control and no significant IROs). In 2025/2026, this is not reported separately.
Workers in the value chain – Other employment-related rights (Privacy)	-	Under the DMA 2025, confidentiality for workers in the value chain is not a material sub-theme of the ESRS; it is addressed through confidentiality clauses and data

		protection requirements in contracts. It will not be addressed in 2025/2026.
Affected communities – Economic, social and cultural rights of communities (Land-related impacts)	Affected communities – Economic, social and cultural rights of communities (Land-related impacts)	-
Affected communities – The economic, social and cultural rights of communities (Security-related impacts)	-	According to the DMA 2025, security-related impacts are not material as a sub-theme of the ESRS;
Affected communities – Civil and political rights of communities (Freedom of expression)	-	According to the DMA 2025, S3 relates to economic, social and cultural rights (land-related/security impacts), whilst civil and political rights (e.g. freedom of expression) have not been identified as material human rights issues relevant to the Group's activities. It will therefore not be addressed in 2025/2026.
Affected communities – Civil and political rights of communities (Freedom of assembly)	-	According to the DMA 2025, interactions with communities mainly concern impacts relating to land and safety; no significant IROs regarding restrictions on freedom of assembly have been identified. Consequently, it will not be addressed in 2025/2026.
Affected communities – Civil and political rights of communities (Impact on human rights defenders)	-	According to the DMA 2025, no contexts or activities have been identified that pose significant risks to human rights defenders. The 2025/2026 report focuses on the material S3 impacts (land/safety).
Consumers and end-users – Impacts relating to information for consumers and/or end-users (Privacy)	-	According to the DMA 2025, ESRS S4 is non-material (monitoring), as there are no IROs on the shortlist; furthermore, the business model is predominantly B2B/regulator, with no direct interaction with end consumers within the meaning of the ESRS. In 2025/2026, this will not be reported separately (monitoring will continue through operational processes).
Consumers and end-users – Impacts relating to information for consumers and/or end-users (Freedom of expression)	-	According to the DMA 2025, ESRS S4 is non-material (monitoring), and no relevant IROs have been identified in relation to the freedom of expression of consumers/end-users. In 2025/2026, this will not be reported separately, as it will be monitored through operational channels (business continuity/communication).
Consumers and end-users – Impacts relating to information for consumers and/or end-users (Access to information)	-	According to the DMA 2025, ESRS S4 is non-material (monitoring), and access to (high-quality) information for consumers/end-users has not been assessed as a material IRO. In 2025/2026, this will not be reported separately (annual monitoring and review).
Professional conduct - Corporate culture	Professional conduct - Corporate culture	-

Professional conduct – Protection of whistleblowers	Professional conduct – Protection of whistleblowers	-
Professional conduct – Managing supplier relationships, including payment practices	-	According to the DMA 2025, G1 relates to professional conduct (integrity, anti-corruption, protection of whistleblowers); the management of supplier relationships and payment practices did not give rise to any material IROs. In 2025/2026, these are covered by internal controls and procurement procedures, with no specific disclosures.
Professional conduct – Corruption and bribery – Prevention, detection, including training	Professional conduct – Corruption and bribery – Prevention, detection, including training	-
Professional conduct – Corruption and bribery – Incidents	Professional conduct – Corruption and bribery – Incidents	-

7. Management of impacts, risks and opportunities (IRO-1, IRO-2, MDR-P, MDR-A, MDR-M, MDR-T)

Description of the process for identifying and assessing significant impacts, risks and opportunities (IRO-1)

In accordance with the ESRS requirements regarding the management of significant impacts, risks and opportunities, Transelectrica has developed a structured process for identifying, assessing and monitoring these, based on a double materiality analysis and the principles of due diligence.

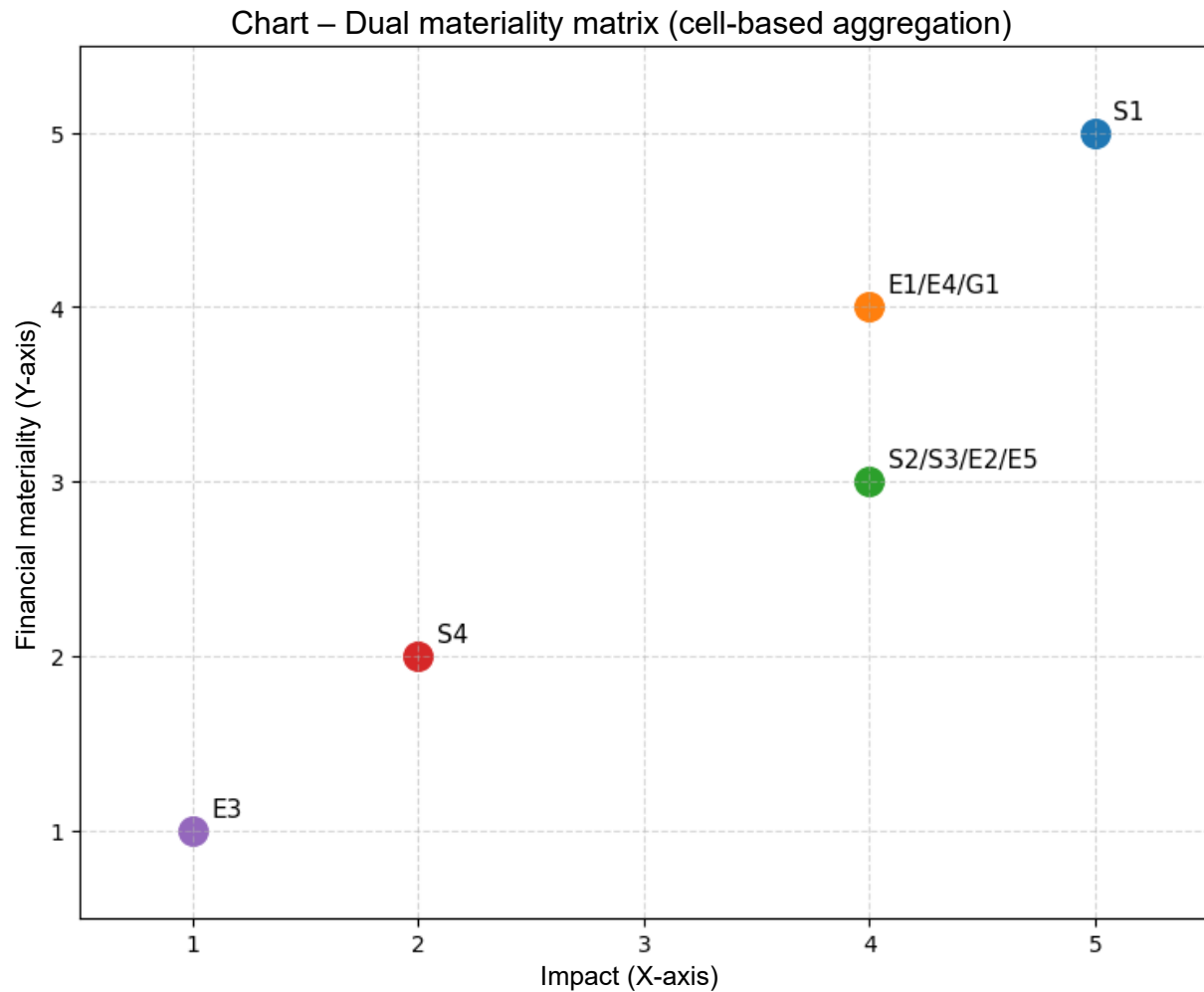
At Group level, a risk- and opportunity-based approach is a key element of the integrated management system. This approach conserves resources, maximises operational efficiency and ensures the organisation is well-positioned to meet future challenges. The process of identifying and assessing impacts, risks and opportunities within Transelectrica is based on the following methodologies and assumptions:

Double materiality analysis	Assessment of the likelihood and severity of impacts	The adoption of international standards
The impacts on the environment and people (impact materiality) and the financial effects on the Company (financial materiality) are assessed	Quantitative and qualitative methods, including scenario modelling and risk analysis, are used to determine the significance of each impact	The impact assessment is carried out in accordance with ISO 14001:2015 (environmental management), ISO 45001:2023 (occupational health and safety) and the ESRS Standards
The analysis covers both the risks that could lead to negative consequences and the opportunities that could bring strategic and operational benefits	Factors relating to regulation, climate change, social sustainability and corporate governance are taken into account	

The final matrix

Caption:

- **P1 – Priority 1** (materially high)
- **P2 – Priority 2** (materially average)
- **M – Monitoring**



Materiality threshold	Financial materiality threshold
Priority 1 scoring: 13–16, inclusive – raised material	10,000,000 RON
Priority 2 score: 9–12, inclusive – average material	5,000,000 - 9,999,999 RON
Monitoring score: 4–8, inclusive – are treated at the monitoring level, low level	>5,000,000 RON

Stakeholder feedback was taken into account during the update of the double materiality analysis by collating and discussing the results in internal meetings with the relevant departments. During the evaluation phase, the comments received were used as a means of validation, and where themes received the highest scores in stakeholder feedback, these were given priority in the scoring process and in finalising the list of significant issues/IROs.

Significance thresholds and classification criteria (low/medium/high) are used to prioritise IROs and to determine which ones are treated as significant in reporting, in conjunction with the double materiality analysis. The assessment of financial risks and opportunities is carried out over short-, medium- and long-term time horizons, in accordance with the ESRS definitions, and the assumptions used are reviewed annually or whenever relevant changes in the context arise.

The process of identifying and assessing potential and actual impacts on the environment and people within the Transelectrica Group is carried out using a structured approach comprising several key stages. Firstly, an analysis of high-risk areas is carried out, focusing on activities that generate significant impacts—such as electricity transmission, which can affect biodiversity and greenhouse gas emissions, the management of SF6-containing equipment, a gas with high global warming potential, and the construction and maintenance of the high-voltage grid, which can lead to deforestation or accidental pollution. Another important step is the analysis of direct and indirect impacts, in which the Transelectrica Group assesses both the effects of its own operations and those resulting from its collaborations with partners in the value chain.

The Transelectrica Group is analysing operational, environmental and social impacts in order to identify the financial risks and opportunities that may arise as a result. This approach incorporates:

- the link between risks and operational dependencies – for example, dependence on strategic resources, such as SF6-based equipment, gives rise to financial risks due to potentially stricter regulations or replacement costs;
- impact on the value chain – risks relating to the supply of critical equipment may lead to delays in infrastructure investment and may affect financial performance;
- the interdependence between sustainability and economic performance – climate-related risks, such as extreme weather events, can affect the electricity grid and lead to additional maintenance and repair costs;
- opportunities arising from the energy transition – increasing the share of renewable energy in the grid and developing smart infrastructure bring long-term benefits in terms of reducing losses and optimising energy transmission.

An overview of the process for identifying, assessing, prioritising and monitoring potential and actual impacts. The process of identifying, assessing, prioritising and monitoring potential and actual impacts on people and the environment is based on the principle of due diligence and is integrated into the double materiality analysis. In practice, this includes: (1) identifying activities and situations that generate an impact (operations, maintenance, investments), (2) assessing actual and potential impacts, (3) prioritising negative/positive impacts and determining material aspects for reporting, and (4) monitoring through internal mechanisms (reporting, KPIs where defined, registers/action plans), with periodic review and updating in line with changes in context.

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS E1	Climate change	Adapting to climate change		risk	Climate change and extreme weather events – such as storms or droughts – can affect the stability of infrastructure, impacting local ecosystems and creating operational risks
		Climate change mitigation Climate change mitigation		opportunity	Increasing access to sustainable finance: adopting measures to reduce environmental impact can facilitate

					access to European funds and green financing schemes
		Mitigating climate change		opportunity	Technological innovation: developing high-performance/advanced solutions for emissions control and pollution management can position the company as a leader in sustainability within the energy sector
		Mitigating climate change		impact	Positive impact: reducing pollution and protecting the environment by monitoring emissions and using less polluting technologies
		Mitigating climate change		opportunity	Technological opportunities: investment in cleaner and safer technologies, helping to reduce the environmental impact; the adoption of innovative solutions for managing greenhouse gas emissions
		Mitigating climate change		impact/opportunity	Reducing GHG emissions: by developing renewable energy infrastructure, Transelectrica is helping to achieve Romania's and the EU's climate targets
		Mitigating climate change		risk	Additional costs: the need to implement new, less polluting technologies; investments that may lead to higher operating costs
		Mitigating climate change		opportunity	The implementation of pollution monitoring and prevention solutions may improve environmental performance and alignment with European standards.
		Efficiency		risk	Technological risks: should strategic investments be delayed or fail, Transelectrica could face difficulties in achieving its energy efficiency and emissions reduction targets
		Efficiency		opportunity	Reducing operational costs: optimising energy consumption and implementing energy-efficient technologies will reduce costs in the long term
ESRS E2	Pollution	Soil pollution		impact	Impact on the soil: accidental spills of insulating oil and fuels from electrical equipment or machinery may contaminate the soil

		Soil pollution		risk	Technological/operational risks: equipment failures that may lead to accidental leaks of hazardous substances, affecting compliance with environmental legislation
		Soil pollution		impact	Impact on the soil – accidental spills of mineral oils, SF6, hazardous chemicals or other industrial waste can contaminate the soil, affecting local ecosystems and the quality of natural resources
		Soil pollution		impact	Soil pollution – accidental spills of industrial oils, fuels and chemicals used in equipment can contaminate the soil, affecting biodiversity and ecosystems
		Soil pollution		risk	Operational and environmental risks: accidental leaks of hazardous substances (e.g. oils, SF6), with a negative impact on the environment
ESRS E4	Biodiversity and ecosystems	Factors determining the direct impact on biodiversity loss	Land use change, freshwater use change and marine use change	impact	Fragmentation of natural habitats – the construction and maintenance of overhead power lines (OPLs) and substations require deforestation and land alterations, which can affect the continuity of habitats for various species of animals and plants
				impact	Impact on biodiversity – the generation of hazardous waste or materials that are slow to degrade can affect natural habitats, particularly in areas where construction and maintenance work is taking place
			Pollution	impact	Noise and electromagnetic pollution – the generation of noise and electromagnetic fields from high-voltage power lines may affect wildlife behavior and the quality of natural habitats.
			Population size of the species	impact	Bird collisions and electrocution – Power lines pose a danger to migratory birds and other species that use flight paths, as there is a risk of collisions or electrocution

ESRS E5	Circular economy	Resource inputs, including resource use		opportunity	Improving the efficiency of maintenance activities through environmentally friendly practices – such as optimising service routes, using recyclable materials and promoting the circular economy – can reduce operational costs and environmental impact.
		Resource inputs, including resource use Waste		impact	High resource consumption and economic losses – inefficient waste disposal can lead to financial losses and the inappropriate use of resources, undermining the Company's economic sustainability
		Resource inputs, including resource use		risk	Supply chain risks – the availability of effective solutions for recycling and recovering waste materials may be limited, which makes it difficult to implement sustainable practices within the company
		Resource outputs related to products and services		risk	Financial and operational risks – the high costs of storing and treating hazardous waste, as well as managing decommissioned equipment, may have a negative impact on the Company's budget
		Waste		risk	Environmental risks – improper management of waste from decommissioned equipment (e.g. conductors, insulators, oil-filled transformers) may have adverse effects on local ecosystems
		Waste		risk	Risks of non-compliance with legislation – changes to waste management regulations may impose stricter requirements for recycling and disposal, necessitating additional investment to ensure compliance
		Waste		risk	Reputational and image risks – poor waste management, involving incidents of pollution or failure to comply with environmental regulations, can damage the public's perception of the company and result in penalties from the authorities

ESRS S1	In-house workforce	Working conditions	Secure jobs	impact/risk	Negative impacts: potential workplace accidents, accidental pollution, operational disruptions, adverse effects on biodiversity in areas with electrical infrastructure
				impact	Positive impact: improving employee safety through safer working conditions and the prevention of workplace accidents
			Work-life balance	risk	Staff shortages in certain technical fields – if working conditions are not attractive, it may become difficult to recruit and retain the specialists who are essential to the system's operation
				opportunity	Creating a more attractive and inclusive working environment – modernising workplace infrastructure, adopting flexible policies and supporting a healthy work-life balance can improve employee satisfaction
			Health and safety	risk	Health and safety at work – the technical nature of the work involves high operational risks, which necessitates strict measures to protect employees and improve working conditions
				impact	The need to comply with strict health and safety standards at work – national and European regulations require compliance with specific rules for the prevention of workplace accidents and occupational diseases
				opportunity	Improving health and safety standards – by introducing new technologies, modern protective equipment and prevention programmes, accidents and occupational illnesses can be reduced
				opportunity	Continuous improvement of workplace safety and increased operational efficiency
				impact	The impact of working conditions on productivity and employee satisfaction – a safe, ergonomic and well-organised working environment contributes

					to staff motivation and retention, whilst inadequate conditions can lead to a decline in performance and increased absenteeism
				impact/risk	Negative impacts: potential workplace accidents, accidental pollution, operational disruptions, adverse effects on biodiversity in areas with electrical infrastructure
		Equal treatment and equal opportunities for all	Training and skills development	impact	The impact of digitalisation on the workplace – the introduction of new technologies can change the way we work, requiring adaptation to automated processes and the use of modern equipment
				opportunity	Improving efficiency through digitalisation and automation – reducing repetitive manual tasks and utilising advanced technologies can optimise processes and improve workplace safety
			Diversity	opportunity	Promoting diversity and enhancing our appeal as an employer – Implementing programmes focused on inclusion and equal opportunities can help attract and retain a diverse and talented workforce
				impact	Ensuring equal treatment and equal opportunities for all employees contributes to an organisational culture based on respect, diversity and inclusion
ESRS S2	Workers in the supply chain	Working conditions	Health and safety	risk	Integrity, anti-corruption, reputational risk, legal compliance, potential impact on investments and the cost of capital
ESRS S3	Affected communities	The economic, social and cultural rights of communities	Impacts relating to soil	risk	Risks relating to relations with local communities – changes to the environment may lead to social discontent and opposition from communities affected by energy infrastructure

			Impacts relating to soil	impact	Impact on the environment and community land – The construction of high-voltage power lines and substations can affect communities through land take, changes to the landscape and potential nuisances (e.g. background noise or concerns about electromagnetic fields). These impacts are managed through public consultation, environmental studies and measures to minimise disruption, in order to safeguard the quality of life in local communities
G1	Professional conduct	Corporate culture		risk	Integrity, anti-corruption, reputational risk, legal compliance, potential impact on investments and the cost of capital
		Protection of whistleblowers			
		Corruption and bribery	Prevention, screening, including training		
			Incidents		
Entity-specific	Pollution		Air pollution	risk	Legal risks: exceeding the statutory noise limits or failing to comply with environmental protection regulations may result in penalties from the authorities
	Professional conduct	Corporate culture		risk	Loss of Integrated Management System certification

(i) *Focusing on high-risk areas/activities.* The process focuses primarily on activities and factors that may give rise to an increased risk of adverse effects, such as the operation and maintenance of transport infrastructure, modernisation/expansion works, the management of substances with potential environmental impact (e.g. specific equipment), as well as on relevant geographical/technical contexts (e.g. areas sensitive in terms of biodiversity, areas exposed to extreme weather events, sites with environmental constraints or in close proximity to communities).

(ii) *Addressing the impacts arising from its own operations and business relationships.* The analysis covers impacts in which the Group is involved both through its own operations (operation, dispatch, maintenance, investment) and as a result of its business relationships (e.g. contractors/subcontractors for works, suppliers of equipment and services), to the extent that these relationships may contribute to adverse effects on people or the environment.

(iii) *Consultation with stakeholders and external experts.* The results of the stakeholder consultation are incorporated into the double materiality analysis through a process of collation, structuring and reflection in the final assessment. The comments received are collected and aggregated, then categorised under the relevant themes (in line with the ESRS/AR16 framework), so that they can be compared with the preliminary list of impacts, risks and opportunities and with the available internal information. On this basis, the feedback is used to validate and, where

necessary, adjust the materiality assessment (for example, to confirm priorities, clarify exposures and fill in gaps), and the results are reflected in the double materiality matrix and in the final list of material IROs underpinning the reporting.

(iv) Setting priorities and thresholds/criteria. Negative impacts are prioritised based on severity (including magnitude, scope and difficulty of remediation, where applicable) and the relative likelihood of potential impacts; positive impacts are assessed based on magnitude/scope and likelihood. To identify material issues for reporting purposes, qualitative and quantitative thresholds and criteria are used, including an internal rating scale (e.g. 1–3 for likelihood and impact) and classification rules (low/medium/high), which support the final selection of material topics/impacts and the prioritisation of response measures.

An overview of the process used to identify, assess, prioritise and monitor risks and opportunities. The process used by the Transelectrica Group to identify, assess, prioritise and monitor risks and opportunities with financial implications is integrated into the Group's risk management framework and is aligned with the double materiality analysis. In operational terms, this involves: identifying sources of risk and opportunity associated with regulated transmission and system activities; assessing their potential impact on the financial position, financial performance and cash flows; prioritising them according to significance; and monitoring them through risk registers, action plans and periodic reporting, with annual review and whenever relevant changes in the context occur.

(i) The link between impacts/dependencies and financial risks/opportunities. The Transelectrica Group takes into account the link between its impacts and dependencies (for example, dependence on critical infrastructure and the safe operation of the National Electricity System, IT/OT technological dependencies, dependencies on suppliers and contractors, exposure to extreme weather events and regulatory requirements) and the financial risks/opportunities that may arise from these (e.g. additional maintenance and remediation costs, investment delays, increases in CAPEX/OPEX, compliance obligations, penalties/downtime, and opportunities for financing and modernisation). This correlation is established as part of the double materiality assessment and is updated in line with developments in the operational and regulatory environment.

(ii) Assessing the likelihood, magnitude and nature of the effects. The assessment of financial significance is carried out by evaluating the likelihood of occurrence and the magnitude of the potential financial effect, as well as its nature (impact on regulated revenues, operating costs, investments, provisions, operational continuity), using qualitative criteria and thresholds and, where possible, quantifications or ranges. An internal risk matrix is used for prioritisation (e.g. a 1–3 scale for probability and impact), and the resulting classification (low/medium/high) informs decisions on control measures and resource allocation.

(iii) Prioritising sustainability risks in relation to other risks. Sustainability risks are incorporated into the overall risk register and assessed using the same methodological framework as the other risk categories (technical, operational, financial, compliance and security), so that prioritisation reflects the comparability of risk levels and risk tolerance across the Group. Depending on the outcome of the assessment, risks are prioritised and control measures, responsible parties and deadlines are established; monitoring is carried out through regular reports to management and, where appropriate, to the relevant statutory bodies.

The decision-making process and related internal control procedures for the identification, assessment and management of IROs are integrated into the governance framework and the internal management control system of the Transelectrica Group. Assessments and proposals are initiated at the level of specialist units, in accordance with the applicable procedures (including TEL-10.00 Risk Management for Transelectrica, TLT-PS-02 Risk Management for Teletrans and PS 16.00 of the Integrated Management System for Smart), are consolidated into registers and action plans and are subject to approval/review within the responsible units (e.g. EMRC/CM SCIM), before being submitted to executive management for a decision. Internal controls include checks on the completeness and traceability of information, the validation of assumptions and risk classifications, the approval of action plans and the monitoring of their implementation, as well as regular reporting on progress to management.

Integrating the identification, assessment and management of sustainability impacts and risks into overall risk management. At present, the process of identifying and assessing sustainability-related risks is primarily addressed within the Group's general risk management framework, to the extent that these risks may affect business continuity, compliance or financial performance. Impacts (as defined by the ESRS) are analysed separately as part of the double materiality exercise and sustainability reporting, and the relevant conclusions are used, where appropriate, to inform internal processes and to calibrate control measures. The full and systematic integration of the impact perspective into overall risk management processes is currently being consolidated and will be developed gradually, so that sustainability assessments are reflected more consistently in the overall risk profile and in prioritisation and monitoring processes.

Integrating the identification, assessment and management of sustainability opportunities into overall management processes. At present, the identification and assessment of sustainability-related opportunities are primarily addressed within planning and development processes (e.g. investment, modernisation and digitalisation), as well as through the double materiality exercise and sustainability reporting. The Group intends to gradually strengthen the way in which relevant opportunities are identified and tracked, so that they are reflected more consistently in internal planning and monitoring processes as the reporting framework and internal practices mature.

Input parameters. The process utilises internal data (operational and technical information, risk management records and reports, and data from support functions such as HR, procurement and compliance) and, where appropriate, external sources (regulatory requirements, relevant public information and input from stakeholder consultation). The scope of the analysis covers the relevant activities of the entity itself and, where applicable and reasonably available, the relevant business relationships. Assumptions are established on the basis of the information available at the time of the assessment, using internal criteria (e.g. classification scales/thresholds), and are reviewed periodically in line with changes in the context and improvements in the data.

Review of the materiality assessment process. The process for identifying and assessing material issues and determining their materiality was revised in 2025 following an update to the double materiality analysis, through the refinement of assessment criteria and information collection/validation processes, which also led to a consolidation of the list of material topics/issues compared with the previous reporting period. The significance assessment is scheduled to be reviewed at least annually, as part of the reporting cycle, and whenever there are

relevant changes to the operational or regulatory environment or to the business model that may influence the results of the analysis.

Detailed information on the impacts, risks and opportunities identified for each material topic is set out in the relevant chapter of each thematic ESRS.

Thematic ESRS	Sustainability issues - Sustainability Report 2025			
	Theme	Sub-theme	Sub-sub-theme	Explanatory note
ESRS E1	Climate change	Adapting to climate change		Discussed in the Report
		Mitigating climate change		Discussed in the Report
		Efficiency		Discussed in the Report
ESRS E2	Pollution	Air pollution		Discussed in the Report
		Water pollution		Not applicable
		Soil pollution		Discussed in the Report
		Pollution of living organisms and food resources		Not applicable
		Substances that give cause for concern		Covered in the Report
		Substances that give rise to particular concern		Not applicable
		Microplastics		Not applicable
ESRS E3	Water resources and marine resources	Water resources	Water consumption	Not applicable
			Water abstraction	Not applicable
			Water discharge	Not applicable
		Marine resources	The discharge of water into the oceans	Not applicable
			The extraction and use of marine resources	Not applicable
ESRS E4	Biodiversity and ecosystems	Factors determining a direct impact on the decline in biodiversity	Climate change	Not applicable
			Land use change, freshwater use change and marine use change	Discussed in the Report
			Direct exploitation	Not applicable
			Invasive alien species	Not applicable
			Pollution	Discussed in the Report
			Other	Not applicable
		Impacts on the status of species	Population size of the species	Discussed in the Report
			The risk of species becoming extinct worldwide	Not applicable
		Impacts on the extent and condition of ecosystems	Soil degradation	Not applicable
			Desertification	Not applicable
			Soil waterproofing	Not applicable

Thematic ESRS	Sustainability issues - Sustainability Report 2025			
	Theme	Sub-theme	Sub-sub-theme	Explanatory note
		Impacts on and dependencies on ecosystem services		Not applicable
ESRS E5	Circular economy	Resource inputs, including resource use		Covered in the Report
		Resource outputs related to products and services		Covered in the Report
		Waste		Covered in the Report
ESRS S1	In-house workforce	Working conditions	Secure jobs	Covered in the Report
			Working time	Not applicable
			Fair wages	Not applicable
			Social dialogue	Not applicable
			Freedom of association, the existence of works councils, and workers' rights to information, consultation and participation	Not applicable
			Collective bargaining, including the proportion of workers covered by collective agreements	Not applicable
			Work-life balance	Discussed in the Report
			Health and safety	Covered in the Report
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Not applicable
			Training and skills development	Covered in the Report
			Employment and inclusion of people with disabilities	Not applicable
			Measures to combat violence and harassment in the workplace	Not applicable
			Diversity	Discussed in the Report
		Other employment-related rights	Child labour	Not applicable
			Forced labour	Not applicable
			Suitable housing	Not applicable
			Confidentiality	Not applicable
ESRS S2	Workers in the value chain	Working conditions	Secure jobs	Not applicable
			Working time	Not applicable
			Fair wages	Not applicable
			Social dialogue	Not applicable

Thematic ESRS	Sustainability issues - Sustainability Report 2025			
	Theme	Sub-theme	Sub-sub-theme	Explanatory note
			Freedom of association, including the existence of works councils	Not applicable
			Collective bargaining	Not applicable
			Work-life balance	Not applicable
			Health and safety	Covered in the Report
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Not applicable
			Skills training and development	Not applicable
			Employment and inclusion of people with disabilities	Not applicable
			Measures to combat violence and harassment in the workplace	Not applicable
			Diversity	Not applicable
		Other employment-related rights	Child labour	Not applicable
			Forced labour	Not applicable
			Suitable housing	Not applicable
			Water and sanitation	Not applicable
			Confidentiality	Not applicable
ESRS S3	Affected communities	The economic, social and cultural rights of communities	Suitable housing	Not applicable
			A balanced diet	Not applicable
			Water and sanitation	Not applicable
			Impacts relating to soil	Covered in the Report
			Security-related impacts	Not applicable
		The civil and political rights of communities	Freedom of expression	Not applicable
			Freedom of association	Not applicable
			The impact on human rights defenders	Not applicable
		The rights of indigenous peoples	Free, prior and informed consent	Not applicable
			Self-determination	Not applicable
			Cultural rights	Not applicable
ESRS S4	Consumers and end users	Impacts relating to information for consumers and/or end-users	Confidentiality	Not applicable
			Freedom of expression	Not applicable
			Access to (high-quality) information	Not applicable

Thematic ESRS	Sustainability issues - Sustainability Report 2025			
	Theme	Sub-theme	Sub-sub-theme	Explanatory note
		The personal safety of consumers and/or end-users	Health and safety	Not applicable
			A person's safety	Not applicable
			Child protection	Not applicable
		Social inclusion of consumers and/or end-users	Non-discrimination	Not applicable
			Access to products and services	Not applicable
			Responsible marketing practices	Not applicable
ESRS G1	Professional conduct	Corporate culture		Discussed in the Report
		Protection of whistleblowers		Discussed in the Report
		Animal welfare		Not applicable
		Political engagement and lobbying activities		Not applicable
		Supplier relationship management, including payment practices		Not applicable
		Corruption and bribery	Prevention, screening, including training	Discussed in the Report
			Incidents	Covered in the Report

ESRS disclosure requirements covered by the company's sustainability statement (IRO-2)

List of disclosure requirements that have been met in the sustainability report:

Standard	Presentation requirements	Relevant data points	Page number
ESRS 2	BP-1 – General guidelines for preparing the sustainability report	5(a), 5(b) and 5(c)	p. 7
	BP-2 – Disclosure of information relating to specific circumstances	9(a), 9(b), 10(a), 10(d), 11(a), 13(a), 13(b), 13(c), 15, 16, 17(a), 17(b), 17(c), 17(d), 17(e)	p. 9
	GOV-1 – The role of administrative, management and supervisory bodies	21(a), 21(c), 21(d), 21(e), 22(a), 22(b), 22(c)(i), 22(c)(ii), 22(c)(iii), 22(d), 23(a), 23 (b)	p. 11
	GOV-2 – Information provided to the company's administrative, management and supervisory bodies, and the sustainability issues addressed by them	26(a), 26(b), 26(c)	p. 24
	GOV-3 – Integrating sustainability performance into incentive schemes	29(a), 29(b), 29(c), 29(d), 29(e)	p. 26
	GOV-4 – Statement on the due diligence process	30, 32	p. 31
	GOV-5 – Risk management and internal controls relating to sustainability reporting	36(a), 36(b), 36(c), 36(d), 36(e)	p. 33

Standard	Presentation requirements	Relevant data points	Page number
	SBM-1 – Strategy, business model and value chain	40(a)(i), 40(a)(ii), 40(a)(iii), 40(b), 40(e), 40(f), 40(g), 42(a), 42(b), 42(c)	p. 37
	SBM-2 – Stakeholders' interests and views	45(a)(i), 45(a)(ii), 45(a)(iii), 45(a)(iv), 45(a)(v), 45(b), 45(c)(i), 45(c)(ii), 45(c)(iii), 45(d)	p. 50
	SBM-3 – Significant impacts, risks and opportunities, and how they interact with the strategy and business model	48(a), 48(b), 48(c)(i), 48(c)(ii), 48(c)(iii), 48(c)(iv), 48(d), 48(f), 48(g), 48(h)	p. 59
	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks and opportunities	53(a), 53(b)(i), 53(b)(ii), 53(b)(iii), 53(b)(iv), 53(c)(i), 53(c)(ii), 53(c)(iii), 53(d), 53(e), 53(f), 53(g), 53(h)	p. 68
	IRO-2 – ESRS disclosure requirements covered by the company's sustainability report	56, 59	p. 82
	MDR-P Policies – Policies adopted to manage material sustainability issues	65(a), 65(b), 65(c), 65(d), 65(e), 65(f)	p. 88
	MDR-A Actions – Actions and resources relating to material sustainability issues	68(a), 68(b), 68(c), 68(d), 68(e), 69(a), 69(b), 69(c)	p. 91
	MDR-M – Indicators relating to material sustainability issues	75, 77(a), 77(b)	p. 95
	MDR-T Targets – Monitoring the effectiveness of policies and actions through targets	80(a), 80(b), 80(c), 80(d), 80(e), 80(f), 80(g), 80(h), 80(i), 80(j)	p. 99
ESRS E1 Climate change	GOV-3 – Integrating sustainability performance into incentive schemes	13	p. 107
	E1-1; The transition plan for climate change mitigation	14, 16(a), 16(b), 16(c), 16(d), 16(e), 16(h), 16(i), 16(j), 17	p. 107
	SBM-3 – Significant impacts, risks and opportunities, and how they interact with the strategy and business model	18, 19(a), 19(b), AR 7(b), 19(c), AR 8(b)	p. 111
	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks and opportunities	20(a), AR 9, 20(b), AR 11(a) AR 11 (b), AR 11 (c), AR 11 (d), 21, 20 (c), AR 12 (a), AR 12 (b), AR 12 (c), AR 12 (d), AR 15	p. 114
	E1-2; Policies relating to climate change mitigation and adaptation	24, 25	p. 115
	E1-3; Actions and resources relating to climate change policy	28, 29(a), AR 19(d), 29(b), AR 21, 29(c)(i), 29(c)(ii), 29(c)(iii), 16(c)	p. 116
	E1-4; Targets relating to climate change mitigation and adaptation	33	p. 128
	E1-5; Energy consumption and the energy mix	37, 41, 42, 43	p. 132
	E1-6; Gross GHG emissions from categories 1, 2 and 3, and total GHG emissions	37, 41, 42, 43	p. 132
	E1-7; GHG removals and GHG emission reduction projects funded through carbon credits	Not applicable	N/A
	E1-8; Setting the domestic carbon price	Not applicable	N/A
	E1-9; The anticipated financial impacts of significant physical and transition risks and potential climate-related opportunities	Application of Regulation (EU) 2025/1416	p. 142

Standard	Presentation requirements	Relevant data points	Page number
ESRS E2 Pollution	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks and opportunities	11(a), 11(b), AR 9	p. 143
	E2-1; Policies relating to pollution	14, 15(a), 15(b), 15(c), AR 12	p. 145
	E2-2; Actions and resources relating to pollution	18, 19, AR 13, AR 15	p. 146
	E2-3; Pollution-related targets	23(c), 25	p. 149
	E2-4; Air, water and soil pollution	30(a), 30(b), 30(c), 31	p. 150
	E2-5; Substances of concern and substances of very high concern	Not applicable	N/A
	E2-6; The anticipated financial effects of the impacts, risks and opportunities associated with pollution	Application of Regulation (EU) 2025/1416	p. 152
ESRS E3 Water and marine resources	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks and opportunities	This is not a material issue under the DMA	N/A
	E3-1; Policies relating to water and marine resources	This is not a material issue under the DMA	N/A
	E3-2; Actions and resources relating to water and marine resources	This is not a material issue under the DMA	N/A
	E3-3; Targets relating to water and marine resources	This is not a material issue under the DMA	N/A
	E3-4; Water consumption	This is not a material issue under the DMA	N/A
	E3-5; The anticipated financial effects of the impacts, risks and opportunities associated with water and marine resources	This is not a material issue under the DMA	N/A
ESRS E4 Biodiversity and ecosystems	SBM–3 Significant impacts, risks and opportunities, and their interaction with the strategy and business model	16(a)(i), 16(a)(ii), 16(a)(iii)	p. 153
	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks and opportunities	17(a), 17(b), 17(c), 17(d), 17(e)(i), 17(e)(ii), 17(e)(iii), 19(a), 19(b)	p. 154
	E4-1; The transition plan and the integration of biodiversity and ecosystems into the strategy and business model	13(a), 13(b), 13(c), 13(d), 13(e), 13(f)	p. 157
	E4-2; Policies relating to biodiversity and ecosystems	22, 23(a), 23(b), 23(c), 23(d), 23(e), 23(f), 24(a)	p. 159
	E4-3; Actions and resources relating to biodiversity and ecosystems	27, 28(a), 28(b)(i), 28(b)(ii), 28(b)(iii), 28(c)	p. 160
	E4-4; Targets relating to biodiversity and ecosystems	31, 32(a)(i), 32(a)(ii), 32(a)(iii), 32(b), 32(c), 32(d), 32(e), 32(f)	p. 162

Standard	Presentation requirements	Relevant data points	Page number
	E4-5; Impact indicators relating to biodiversity and changes in ecosystems	38	p. 163
	E4-6; The anticipated financial impacts of risks and opportunities related to biodiversity and ecosystems	Application of Regulation (EU) 2025/1416	p. 164
ESRS E5 Resource use and the circular economy	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks and opportunities	11(a), 11(b)	p. 165
	E5-1; Policies relating to resource use and the circular economy	14, 15(a), 15(b)	p. 166
	E5-2; Actions and resources relating to resource use and the circular economy	19, 20(a), 20(b), 20(c), 20(d), 20(e), 20(f)	p. 168
	E5-3; Targets relating to resource use and the circular economy	23, 24(a), 24(b), 24(c), 24(d), 24(e), 24(f), 25, 27	p. 170
	E5-4; Resource inputs	30, 31(a), 31(b), 31(c), 32, AR 25	p. 171
	E5-5; Resource outputs	37(a), 37(b), 37(c), 37(d), 38(a), 38(b), 39, 40	p. 172
	E5-6; The anticipated financial effects of the impacts, risks and opportunities associated with resource use and the circular economy	Application of Regulation (EU) 2025/1416	p. 178
ESRS S1 In-house workforce	SBM–3 Significant impacts, risks and opportunities, and their interaction with the strategy and business model	14(a), 14(b), 14(c), 14(d), 14(e), 14(f)(i), 14(f)(ii), 14(g)(i), 14(g)(ii), 15, 16	p. 191
	S1-1; Policies relating to the in-house workforce	19, 20(a), 20(b), 20(c), 21, 22, 23, 24(a), 24(b), 24(c), 24(d)	p. 196
	S1-2; Processes for engaging with the workforce and employee representatives regarding the impacts	27(a), 27(b), 27(c), 27(d), 27(e), 28	p. 199
	S1-3; Processes for addressing negative impacts and the channels through which staff can raise their concerns	32(a), 32(b), 32(c), 32(d), 32(e), 33	p. 200
	S1-4; The adoption of measures addressing significant impacts on the workforce and approaches to managing significant risks and pursuing significant opportunities relating to the workforce, as well as the effectiveness of these actions	37, 38(a), 38(b), 38(c), 38(d), 39, 40(a), 40(b), 41, 43	p. 202
	S1-5; Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities	46, 47(a), 47(b), 47(c)	p. 206
	S1-6; Characteristics of the company's employees	50(a), 50(b), 50(c), 50(d)(i), 50(d)(ii), 50(e), 50(f), 51	p. 209

Standard	Presentation requirements	Relevant data points	Page number
	S1-7; Characteristics of non-salaried workers within the enterprise's own workforce	55(a), 55(b)(i), 55(b)(ii), 55(c)	p. 213
	S1-8; Coverage of collective bargaining and social dialogue	Not applicable	N/A
	S1-9; Diversity indicators	66(a), 66(b), AR 71	p. 213
	S1-10; Fair wages	Not applicable	N/A
	S1-11; Social protection	Not applicable	N/A
	S1-12; People with disabilities	Not applicable	N/A
	S1-13; Indicators of training and skills development	83(a), 83(b)	p. 215
	S1-14; Health and safety indicators	88(a), 88(b), 88(c), 88(d), 88(e)	p. 218
	S1-15; Indicators of work-life balance	93(a), 93(b), 94,	p. 220
	S1-16; Remuneration indicators (pay gap and total remuneration)	Not applicable	N/A
	S1-17; Incidents, complaints and serious human rights issues	Not applicable	N/A
ESRS S2 Workers in the value chain	SBM-3 Significant impacts, risks and opportunities, and their interaction with the strategy and business model	11(a)(i), 11(a)(ii), 11(a)(iii), 11(a)(iv), 11(b), 11(c), 11(d), 11(e), 12, 13	p. 223
	S2-1; Policies regarding workers in the value chain	16, 17 (a), 17 (b), 17 (c), 18, 19	p. 225
	S2-2; Processes for engaging with workers in the value chain regarding impacts	22(a), 22(b), 22(c), 22(d), 22(e), 23	p. 226
	S2-3; Processes for addressing negative impacts and the channels through which workers in the value chain can raise their concerns	27(a), 27(b), 27(c), 27(d), 28, 29	p. 228
	S2-4; The adoption of measures addressing significant impacts on workers in the value chain, and approaches to managing significant risks and pursuing significant opportunities relating to workers in the value chain, as well as the effectiveness of these actions	32(a), 32(b), 32(c), 32(d), 33(a), 33(b), 33(c), 34(a), 34(b), 35, 36, 38	p. 229
	S2-5; Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities	41, 42(a), 42(b), 42(c)	p. 232
ESRS S3 Affected communities	SBM-3 Significant impacts, risks and opportunities, and their interaction with the strategy and business model	9(a)(i), 9(a)(ii), 9(a)(iii), 9(a)(iv), 9(b), 9(c), 9(d), 10, 11	p. 232
	S3-1; Policies relating to affected communities	14, 16(a), 16(b), 16(c), 17	p. 236
	S3-2; Processes for engaging with affected communities regarding impacts	21(a), 21(b), 21(c), 21(d), 22, 24	p. 240

Standard	Presentation requirements	Relevant data points	Page number
	S3-3; Processes for addressing negative impacts and the channels through which affected communities can voice their concerns	27(a), 27(b), 27(c), 27(d), 28, 29	p. 241
	S3-4; The adoption of measures addressing significant impacts on affected communities and approaches to managing significant risks and pursuing significant opportunities relating to affected communities, as well as the effectiveness of these actions	31, 32(a), 32(b), 32(c), 32(d), 33(a), 33(b), 33(c), 34(a), 34(b), 35, 36, 38	p. 243
	S3-5; Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities	41, 42(a), 42(b), 42(c)	p. 245
ESRS S4 Consumers and end-users	SBM-3 Significant impacts, risks and opportunities, and their interaction with the strategy and business model	This is not a material issue under the DMA	N/A
	S4-1; Policies on consumers and end-users	This is not a material issue under the DMA	N/A
	S4-2; Processes for engaging with consumers and end-users regarding impacts	This is not a material issue under the DMA	N/A
	S4-3; Processes for addressing negative impacts and channels through which consumers and end-users can raise their concerns	This is not a material issue under the DMA	N/A
	S4-4; The adoption of measures addressing significant impacts on consumers and end-users, and approaches to managing significant risks and capitalising on significant opportunities relating to consumers and end-users, as well as the effectiveness of such measures	This is not a material issue under the DMA	N/A
	S4-5; Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities	This is not a material issue under the DMA	N/A
ESRS G1 Professional conduct	GOV-1 The role of the administrative, management and supervisory bodies	5(a), 5(b)	p. 247
	G1-1; Policies on professional conduct and corporate culture	7, 9, 10(a), 10(c), 10(e), 10(g), 10(h)	p. 248
	G1-2; Supplier relationship management	This is not a material issue under the DMA	N/A
	G1-3; Prevention and detection of corruption and the giving or taking of bribes	18(a), 18(b), 18(c), 20,	p. 251
	G1-4; Incidents of corruption or the giving or taking of bribes	24 (a)	p. 253

Standard	Presentation requirements	Relevant data points	Page number
	G1-5; The exercise of political influence and lobbying activities	This is not a material issue under the DMA	N/A
	G1-6; Payment methods	This is not a material issue under the DMA	N/A

The Transelectrica Group has identified the material information to be disclosed by aligning the results of the double materiality analysis (material IROs) with the reporting requirements set out in the applicable ESRS standards and with the principles on materiality set out in ESRS 1. In this process, the Transelectrica Group used qualitative and quantitative criteria and thresholds to determine which information is essential for understanding the significant impacts, risks and opportunities.

Policies adopted to manage material sustainability issues (MDR-P Policies)

The transition to a clearly defined policy – Sustainability Policy

At Transelectrica, the policies adopted to manage significant sustainability issues are set out in a series of framework and strategic documents, which establish both the Company's technical and sustainability objectives and its ethical and integrity guidelines.

Although there is no sustainability policy in the strict sense for the 2025 reporting year, due to the specific nature of the business, the key elements of Transelectrica's policies are integrated into the Company's overall strategy and reflected in key documents such as: Energy Efficiency Policy, RET Development Plan 2024–2033, Management Plan 2024–2028, Statement on Quality, Environmental, Health and Safety Management Policy, Statement on Risk Management Policy, Code of Ethics and Professional Conduct, Anti-Fraud and Anti-Corruption Policy and Corporate Social Responsibility Policy, the Anti-Fraud and Anti-Corruption Policy and the Corporate Social Responsibility Policy, providing a regulatory framework for internal responsibilities. In addition, The Smart Grid Policy and the Research and Innovation Strategy, available on the Company's website (www.transelectrica.ro), highlight the Transelectrica Group's strategic focus on the energy transition and digitalisation.

Consequently, **pending the adoption of a sustainability policy in the strict sense, we have mapped out the main policies** set out in the framework and strategic documents (RET Development Plan, Management Plan 2024–2028, etc.), thereby ensuring a clear framework for addressing sustainability issues. Although these policies do not follow the traditional structure of a separate policy document, they contain strategic objectives, guidelines for action and concrete measures, and are fundamental to the implementation of sustainability principles within the Group's operations. Therefore, **until a sustainability policy is adopted as a single document, we will treat the mapped policies**, as they set out the guidelines for energy efficiency, GHG emissions reduction, infrastructure modernisation and the integration of renewable sources, thereby contributing to the achievement of our sustainability objectives.

All policies adopted by the Transelectrica Group are designed to ensure strict compliance with the applicable legal requirements and to reflect international best practice. These framework documents establish not only a set of rigorous internal standards, but also a management system

that complies with European and global standards, promoting transparency, accountability and sustainability across all the Group's operations.

Transelectrica Group's policies cover several aspects of sustainability, enabling cross-references between the environmental, social and governance sections. The Group structures its policies according to their impact on key areas of sustainability, thereby ensuring a coherent and integrated approach.

Policy Document /	Key content: objectives, target IROs, monitoring	Scope / exclusions	Senior level (highest)	Third-party standards / initiatives
The RET Development Plan 2024–2033	Upgrade/expansion of the transmission network, interconnections, enhancing resilience and integrating renewable energy sources; typical IROs: E1 (adaptation/mitigation/efficiency), E4 (land use/biodiversity), E2/E5 (pollution/construction waste), S3 (local impacts, where applicable). Monitoring: investment programme, project stages, internal reports/progress indicators.	The Company's investment and maintenance activities; limitations: it does not control production, distribution or supply.	Executive management, through the technical/investment departments, in accordance with internal procedures.	Regulatory requirements applicable to the sector (ANRE) and technical/operational obligations; TSO/ENTSO-E best practices, where applicable.
Management Plan 2024–2028	Strategic objectives + KPIs (including ESG indicators where defined); typical IROs: E1 (efficiency/consumption), S1 (SSM/training, where applicable), G1 (governance/ethics, where applicable). Monitoring: regular reports on the achievement of objectives/KPIs.	Applies to the Management Board and the Supervisory Board; limitations: subject to the regulatory framework and approved budgets.	Executive management, through the departments responsible for implementation and monitoring, in accordance with internal procedures.	The applicable legal framework (e.g. (Government Emergency Ordinance No. 109/2011) and the relevant ESRS requirements (where applicable).
Energy efficiency policy	Reducing internal consumption and improving efficiency; reducing CPT in RET; IRO: E1 (efficiency + impact on costs and performance). Monitoring: measuring consumption and KPIs (where defined).	Own operations (stations, offices, equipment); exclusions: consumption outside direct operational control.	The executive management, through the relevant technical/energy departments.	Correlation with ESRS E1.
Smart Grid Policy (2018–2027)	Digitalisation, automation, flexibility, efficiency and reliability; IRO: E1 (efficiency), energy transition opportunities, cyber/IT-OT risks and opportunities (linked to GOV-5). Monitoring: programmes, projects (e.g. DigiTEL) and internal indicators.	In-house infrastructure and processes; limitations: dependence on suppliers/technologies	The executive management, through the relevant IT&C and technical departments.	TSO best practices, relevant technical standards (where applicable).
Statement on Quality,	Integrated framework for quality/environment/health	In-house activities; implementation through	The executive management,	SR EN ISO 9001:2015, SR

Environmental and Health and Safety Policy	and safety; IRO: E2/E5 (pollution/waste), S1/S2 (health and safety), E1 (efficiency – where applicable). Monitoring: audits, inspections, non-conformities and corrective/preventive actions.	internal procedures and requirements for contractors, where applicable.	through the department responsible for SMI and the relevant specialist units.	EN ISO 14001:2015 and SR ISO 45001:2023
Statement on risk management policy	Identification, assessment and monitoring of risks; IRO: operational risks, compliance, climate/cyber (where applicable). Monitoring: risk register, action plan, regular reporting.	At company level: gradual integration of the impact perspective into risk management (where appropriate).	The executive management, through its dedicated departments (e.g. EMRC/CM SCIM), in accordance with the internal framework.	Order SGG 600/2018; ESRS GOV-5 (alignment).
Code of Ethics and Professional Conduct	Principles of conduct, integrity, compliance; IRO: G1 (corporate culture), prevention of misconduct. Monitoring: internal compliance and control mechanisms.	Internal policy for employees and, where applicable, for contractors (through contractual clauses).	Executive management, through the relevant departments (compliance/human resources), in accordance with internal procedures.	Best practices in integrity; applicable legal requirements.
Anti-Fraud and Anti-Corruption Policy	Anti-fraud/anti-corruption: G1 (prevention, reporting, checks). CSR: S1/S3 (employees, communities). Monitoring: internal controls, reports	Anti-fraud: the company and relevant parties (suppliers, contractors) through contractual clauses, where applicable. CSR: community programmes and projects, where appropriate.	Executive management, through the relevant departments (compliance, audit), in accordance with internal procedures.	Anti-corruption legislation; ESRS G1/S1/S3 (alignment).
Corporate Social Responsibility (CSR) Policy	Social/community programmes; IRO: S1/S3 (as applicable). Monitoring: internal reports on projects/results, as appropriate.	CSR programmes/projects; limitations: subject to approved budgets and priorities.	Executive management, through the relevant departments, in accordance with internal procedures.	CSR best practices, where applicable; ESRS S1/S3 requirements (where applicable).

**Policies for each relevant ESRS topic, including core content, targeted IROs and monitoring mechanisms, are presented in sections E1–E5, S1–S4, and G1 of the ESRS report, in accordance with the requirements of the ESRS standards, to ensure a clear and consistent presentation, avoiding redundancy of information.*

Transelectrica Group policies are drawn up by the relevant departments and approved by senior management; responsibility for ensuring compliance with, monitoring and implementing these policies lies with both the departments that draft them and the bodies that approve them, through the management and control mechanisms at their disposal.

Taking stakeholders' interests into account when formulating policies. At present, relevant policies are primarily established and updated on the basis of applicable legal and regulatory

requirements, operational priorities and internal planning documents. Where relevant, the information gathered from stakeholder dialogue and the double materiality analysis may be used as contextual elements to gradually adjust policies, although there is not yet a formalised mechanism through which these interests are systematically integrated into all policies.

Availability of policies to stakeholders. All of Transelectrica Group's internal policies are published on the intranet and are accessible to all employees and departments involved in their implementation. At the same time, some of the policies and framework documents are publicly available on the Company's website, whilst others are for internal use only and are not published. For the sake of transparency, each relevant thematic standard in the report specifically sets out the applicable policies and their status (public/internal), as well as how they can be accessed by the relevant stakeholders.

The Teletrans and Smart subsidiaries define and implement their own internal policies, tailored to the specific nature of their activities. By developing its own regulatory frameworks, each subsidiary ensures its decision-making autonomy in managing its specific activities, whilst maintaining consistency with the general guidelines established at group level.

Actions and resources relating to material sustainability issues (MDR-A actions)

To ensure the effective implementation of its sustainability policies, Transelectrica is taking concrete action and allocating dedicated resources to manage significant sustainability issues, in accordance with the requirements of the ESRs standards. These actions are organised around three main areas: environmental, social and governance, each of which is addressed through specific initiatives designed to improve the Company's sustainable performance.

ESRS / AR16 (IRO 2025)	Key Action and 2025 planned	Expected outcome / link to targets	Area (activities / geography / value chain / stakeholders)	Horizon	Resolution	Change compared to 2024
E1 (mitigation, adaptation, energy)	Continuation of infrastructure modernisation and expansion programmes and measures to enhance resilience to extreme weather events (in line with investment plans).	Increasing the resilience of NES/RET and facilitating the integration of SRE; reducing the risks of outages and the costs associated with extreme events.	In-house operations; national (RET/station s/LEA), coordination with system stakeholders .	M–L	Where applicable: restoration work/post-incident remedial work in accordance with the relevant procedures.	Continuity and consolidation compared to 2024; progress reported in sections E1/SBM.
E1 (energy efficiency)	Energy efficiency measures and reduction of internal consumption (stations/offices)	Contributes to KPI targets (e.g. 46,400 MWh/2025 etc.) and to reducing the energy impact.	Own operations; national; stakeholders : investors/AN RE (via reporting).	S–M	Not applicable.	Defined KPIs/targets; progress reported annually against 2024.

	+ consumption monitoring.					
E2 (soil, water, air)	Implementation of programmes and procedures for the prevention and management of accidental pollution (including actions in accordance with PO TEL 29.03/29.04 and emergency response under PO TEL 29.11).	Reducing the likelihood of incidents and limiting their impact; improving compliance and operational control.	In-house operations + contractors; RET sites; areas where work is being carried out; stakeholders : authorities, communities .	S–M	Yes, where applicable: remedial/clean-up/restoration measures in accordance with procedures and legal requirements.	Strengthening by 2024 through the use of procedures and reporting.
E2 (entity-specific disclosures , where applicable)	Monitoring of compliance and operational measures to mitigate the effects (where appropriate).	Reducing the risk of non-compliance and exposure to penalties/reputational damage.	In-house operations; national; stakeholders : authorities / ANRE, communities .	S	Yes, where appropriate (corrective measures).	Development based on events; qualitative presentation.
E4	Integration of environmental and biodiversity requirements into projects and works (avoidance, minimisation or restoration, as appropriate).	Minimising the impact on habitats and land; ensuring projects comply with environmental requirements.	In-house operations + contractors; sensitive areas; stakeholders : authorities, communities , NGOs.	M–L	Yes, where applicable: site restoration / environmental compensation in accordance with the approvals.	Progress towards the 2024 target as projects advance; thematic reporting.
E5	Improving waste management (collection, recovery/recycling, traceability).	Reducing the risks of non-compliance and the associated costs; improving management efficiency.	In-house operations + contractors; national; stakeholders : authorities, suppliers.	S–M	Yes, where applicable (corrective actions for non-conformities).	Continuity with 2024; progress reported annually.
E5	Measures to improve operational efficiency (e.g. predictive maintenance / digitalisation) to reduce resource consumption and wastage.	Efficiency gains, reduced losses/costs; support for operational performance.	In-house operations; national; stakeholders : market participants/investors.	M	Not applicable.	Improvement compared to 2024 as projects are implemented.
S1	Health and safety programmes, training and	Reducing health and safety risks, enhancing skills; contributing to	In-house operations; all geographical	S–M	Not applicable.	Continuity and consolidation looking ahead to 2024;

	accident prevention measures + skills development (including digitalisation).	training KPIs/training hours (where defined).	areas; stakeholders : employees, trade unions.			progress to be reported annually.
S2	Introduction/strengthening of health and safety requirements for contractors (clauses, training, checks).	Reducing the risk of non-compliance and incidents within the value chain.	Upstream: contractors / suppliers; location: construction sites / projects.	S–M	Yes, as appropriate (contractual/procedural remedy).	Further consolidation by 2024 as requirements evolve.
S3	Management of local impacts associated with the works (site organisation, site restoration, communication, where applicable).	Reducing the impact on communities and reputational/legal risks.	Operations + contractors; affected communities in work zones.	S–M	Yes, where applicable: remedial/compensatory measures in accordance with the relevant authorisations/legislation.	Progress by project; thematic reporting.
G1	Strengthening practices relating to supplier relations (including contractual terms and conditions, ethical standards and, where applicable, payment practices).	Reducing conduct and compliance risks; improving the traceability of supplier relationships.	Upstream: suppliers/contractors; stakeholders : partners, investors.	S–M	Not applicable.	Consolidation by 2024; regular reporting.

Note: The above actions have been selected to reflect the material IROs identified in the 2025 double materiality analysis. Full details are set out in the thematic sections of the ESRS.

As regards the implementation of new projects or studies, these are carried out in accordance with the procedures set out in PO TEL 29.04 – Development of environmental management programmes and PO TEL 29.03 – Establishment, implementation and maintenance of objectives relating to quality, the environment, and health and safety at work. These procedures set out the necessary actions, responsibilities and deadlines, thereby ensuring that environmental objectives and targets are met.

Furthermore, PO TEL 29.11 – Emergency preparedness and response capacity in the fields of environmental protection, health and safety at work – sets out the procedures and responsibilities for: identifying potential emergencies and accidents that may have a harmful impact on the

environment, health and safety at work; determining appropriate mitigation and response actions for such situations; preventing or reducing the associated adverse impacts on the environment and personnel.

The Transelectrica Group allocates both financial resources (for investment, modernisation, operation, maintenance, compliance and training) and non-financial resources (in-house expertise, implementation capacity through specialist departments and, where appropriate, contractors/suppliers) to the implementation of these measures. Funding is provided through internal budgeting and planning mechanisms and, where applicable, by accessing relevant funding sources and programmes; the terms and environmental/social objectives associated with such instruments are set out, where applicable, in the relevant sections of the report. The implementation of certain actions may depend on preconditions such as budget approval, obtaining permits/authorisations, market availability, and regulatory or funding developments; these factors are monitored as part of internal planning and risk management processes.

The amounts relating to the financial resources allocated during the reporting period for the implementation of sustainability-related actions are reflected in the Group's budgets and financial performance and are presented, where applicable, in the financial statements under the main relevant categories (e.g. capital expenditure, operating expenses and staff costs), as well as in the explanatory notes regarding investment projects and sources of funding.

At present, the Transelectrica Group does not have an aggregate estimate of the future financial resources allocated to the implementation of sustainability-related actions across the entire action plan, as these depend on the annual/multi-annual approvals of budgets and investment programmes, the maturity of the project portfolio and, where applicable, the securing of the necessary funding and approvals/authorisations. Consequently, the Group takes a qualitative approach to future financial resources, stating that the implementation of these actions is supported by internal planning and budgeting processes and will be detailed as approved and documented information becomes available.

With regard to Transelectrica's subsidiaries, measures relating to material sustainability issues are addressed in this section.

Teletrans branch. The measures taken by Teletrans are set out in Investment 5. The digitisation, optimisation and modernisation of the national electricity transmission network, funded under the National Recovery and Resilience Plan (PNRR), Component C16. REPowerEU and approved by the Council Implementing Decision amending the Implementing Decision of 29 October 2021 approving the assessment of Romania's Recovery and Resilience Plan No 15833/23 of 5 December 2023, which includes the following investments:

1) Under investment 5.c – Optimisation of the communications network and establishment of a data centre – Teletrans, a subsidiary of Transelectrica

“Network Traffic Analyser Systems”. The procurement of IT equipment is expected to have a negligible impact on the environmental objective: Prevention and control of pollution in the air, water or soil, taking into account direct and indirect effects throughout the life cycle.

2) Under investment 5.c – Optimisation of the communications network and establishment of a data centre – Teletrans, a subsidiary of Transelectrica.

“Data Centre”. The equipment proposed for the new containerised data centre will be selected and configured in accordance with the provisions of the ‘Do No Significant Harm’ (DNSH) analysis.

The air-conditioning units will maintain an optimal indoor climate without significant influence from the outdoor climate, keeping the microclimatic conditions, temperature and humidity within Zone A1 as defined by ASHRAE 2021. The equipment to be installed will be fitted with an ECO mode, with an estimated negligible environmental impact, both direct and indirect, throughout its entire life cycle. As a result, CO2 emissions will be reduced, along with electricity consumption.

The construction technologies and materials to be used will be eco-efficient and will help to optimise operating costs throughout the entire life cycle. Both the power conversion and uninterruptible power supply (UPS) equipment and the air-handling equipment (precision air-conditioning units) will offer high energy efficiency.

3) Under investment 5.c – Optimisation of the communications network and establishment of a data centre – Teletrans, a subsidiary of Transelectrica.

IT&C network equipment. The procurement of IT equipment is expected to have a negligible impact on the environmental objective of preventing and controlling air, water or soil pollution, taking into account both direct and indirect effects throughout the product lifecycle.

These address a key component of the National Energy System (NES): Cyber security – a prerequisite for the optimal functioning of the NES and for ensuring resilience against cyberattacks, which have been growing in scale across Europe in recent times.

Smart branch. At the Smart level, initiatives addressing key sustainability issues focus on operational efficiency, reducing environmental impact and workplace safety. Key measures that have been implemented include:

- predictive maintenance and digitalisation – the use of advanced technologies to monitor infrastructure and optimise interventions, thereby reducing resource consumption and emissions associated with transport and repair operations;
- sustainable waste management – implementing processes for the recycling and controlled disposal of materials resulting from maintenance and repair activities;
- employee health and safety – the implementation of strict occupational health and safety standards, ongoing training and measures to prevent workplace accidents;
- biodiversity conservation – Measures to restore the environment following maintenance work, minimising the impact on natural habitats.

Indicators relating to material sustainability issues (MDR-M)

The indicators used by the Transelectrica Group to assess performance and effectiveness are presented in the report exclusively for the material topics identified through the double materiality analysis, in accordance with the ESRS requirements applicable to these topics. For each material topic, the relevant indicators (quantitative and/or qualitative) are defined and explained in the relevant sections of the report, together with the associated methodologies, significant

assumptions and limitations, so as to enable an understanding of how significant impacts, risks and opportunities are monitored.

With regard to this section, the non-financial governance indicators used to monitor the functioning of the management and supervisory bodies are highlighted, namely: the number of meetings of the Supervisory Board, the number of meetings of the committees established at the level of the Supervisory Board, and the number of meetings of the Management Board, as supporting elements for the supervision and internal control associated with material matters.

The number of meetings of the Supervisory Board.

Category	Indicator	Raw data	MU	Formula
Indicators relating to corporate governance	Number of meetings of the supervisory board committee supervisory	The number of participants at the steering committee meetings	No.	$Num\bar{a}rul\ \acute{s}edin\tilde{t}elor\ consiliului\ de\ supraveghere_t$ = $Num\bar{a}rul\ \acute{s}edin\tilde{t}elor\ consiliului\ de\ supraveghere\ sus\tilde{t}inut$ – $a\ lungul\ anului_t$

Indicator	2024	2025	2026	2027	2028
The number of meetings of the supervisory board	8	10	12	14	16

Methodology: the indicator is determined on the basis of internal records of meeting notices and minutes.

Number of meetings of the committees established within the Supervisory Board

Category	Indicator	Raw data	MU	Formula
Indicators relating to corporate governance	Number of committee meetings	The number of participants at committee meetings	No.	$Num\bar{a}rul\ comitetelor\ intrunite_t$ = $Num\bar{a}rul\ comitetelor\ sus\tilde{t}inute\ de$ – $a\ lungul\ anului_t$

Indicator	2024	2025	2026	2027	2028
Number of committee meetings	8	10	12	14	16

Methodology: the indicator is calculated on the basis of internal records (notices of meetings, minutes).

Number of Management Board meetings

Indicator	2024	2025	2026	2027	2028
The number of meetings of the Management Board	36	38	40	42	46

Methodology: determined on the basis of internal records (diary/notices of meetings/minutes).

Non-financial performance indicators relating to governance, such as the number of Supervisory Board meetings, the number of meetings of the committees established under the Supervisory Board, and the number of Management Board meetings, are essential for assessing the effectiveness of decision-making, transparency and the functioning of the corporate governance

system within the Transelectrica Group. These indicators reflect the level of involvement of the management bodies in the strategic and operational management of the Group.

Where certain indicators have not yet been adopted, the Transelectrica Group will explain the reasons for this and, where applicable, provide an estimated timeframe for their implementation.

Performance indicators for the financial incentivisation of TSOs through tariffs

Methodology for establishing performance indicators relating to the development of an electricity network that promotes energy efficiency and the integration of electricity generated from renewable sources (hereinafter referred to as the KPI Methodology) was approved by ANRE Presidential Order No. 59/29 July 2025.

The KPI Methodology sets out the indicators by which ANRE will assess the TSO's performance in developing an electricity network that promotes energy efficiency and the integration of electricity generated from renewable sources.

The KPI methodology forms the basis for applying a financial reward/penalty mechanism for the TSO via the transmission tariff, as provided for in the methodology for setting the transmission tariff approved by ANRE for the period 2025–2029. The incentive mechanism operates by increasing or decreasing the regulated rate of return on assets recognised in the tariff.

The indicators used to assess the OTS's annual performance are grouped into three categories:

A. Indicators reflecting the quality of the electricity transmission service:

The indicators in this category are calculated on the basis of the values recorded by the indicators monitored in accordance with the performance standard for electricity transmission and system services approved by ANRE via Order No. 12/2016. The indicators selected from the performance standard are drawn from the groups *Use of the transmission network* (the INDLIN indicator – line unavailability, and the INDTRA indicator – transformer unavailability), *Transmission service continuity* (the ENS indicator – energy not delivered to consumers/not taken from power stations) and *Technical quality of electricity* (indicators relating to voltage remaining within permissible limits).

B. Indicators reflecting the integration of electricity generation from renewable sources and energy storage facilities:

1. **NPd** - The proportion of technical connection notices (TCNs) issued by the TSO for the connection of new generation sites to renewable energy generation units, relative to the number of connection applications of this type registered by the TSO [%]
2. **PPd** - The proportion of the total power approved for evacuation via ATRs issued by the TSO for the connection of new generation sites to renewable energy generation units, relative to the total power requested in connection applications of this type registered by the TSO [%]
3. **NStoc** - The proportion of ATRs issued by the TSO for the connection of new energy storage units, relative to the number of connection requests of this type registered by the TSO [%]

4. **PStoc** - The proportion of the total power approved for discharge via ATRs issued by the TSO for the connection of new energy storage units, relative to the total power requested in connection applications of this type registered by the TSO [%]

C. Indicators reflecting the level of digitalisation of electricity networks.

The indicators in this category are:

1. **ST** – The proportion of automated substations or connection points that allow remote operation, operate without on-site staff and are monitored via the CTSI, relative to the total number of substations or connection points managed by the TSO [%]
2. **Lin** – The proportion of high-voltage power lines equipped with real-time parameter monitoring systems, as a percentage of the total number of power lines managed by the TSO [%]. The indicator relates to the implementation of technology that enables the use of the Dynamic Line Rating method, which offers the advantage of making better use of the transmission capacity of power lines.
3. **Transformer** - The proportion of transformers equipped with real-time parameter monitoring systems, relative to the total number of transformers in operation under the TSO's management [%]. The implementation of real-time transformer monitoring systems brings benefits both in terms of operational safety and the economic efficiency of operations, by enabling a better assessment of the technical condition of transformers and, consequently, the need for maintenance work.

Monitoring of Category C indicators will begin in 2027. Between 2025 and 2026, analyses and studies will be carried out to establish the targets against which the aforementioned indicators will be calculated annually.

In accordance with the Methodology for setting tariffs for the electricity transmission service, approved by ANRE Presidential Order No. 68 of 17 September 2024, the value of the RRR (regulated rate of return on assets) may be increased or decreased by 0.5 percentage points, depending on the level of performance achieved by the TSO in developing an electricity network that promotes energy efficiency and the integration of electricity generated from renewable sources. Performance will be measured using a composite indicator calculated by aggregating the aforementioned indicators, applying a weighting system to the individual values of the indicators.

With regard to subsidiaries, the indicators relating to material sustainability issues are addressed in this section.

Teletrans branch. Teletrans' telecommunications expertise will be utilised in the coming years in the implementation of the EU-funded REPOWER EU project and the launch of a major data centre, which will enable the upgrading of traditional colocation services and the expansion of the customer base in this sector.

Smart branch. Generally, within the Smart framework, performance indicators are established alongside specific objectives and the description of operational processes, and are discussed during management review meetings. Indicators relating to material sustainability issues:

- customer satisfaction, feedback;

- for work carried out under the ANRE certificate – indicator: annual customer satisfaction rate (arithmetic mean of the satisfaction scores for contracts completed during the reference period) – calculated in accordance with ANRE Order No. 45 of 7 September 2016;
- monitoring of employees' health – medical tests and check-ups in accordance with Government Decision 355 – Indicator: No. of employees monitored / No. of employees * 100 [%];
- Tendering and contracting – indicator: accepted tenders resulting in an order or contract / tenders submitted to the client * 100 [%];
- Non-conformity resolution rate – indicator: resolved non-conformities / identified non-conformities * 100 [%];
- Audit programme completion rate – indicator: audits carried out/planned audits * 100 [%];
- degree of implementation of various control programmes – indicator: controls carried out/controls planned * 100 [%];
- Overall completion rate of training programmes – indicator: programmes completed/approved programmes * 100 [%];
- calibrated measurement and monitoring equipment, verified during the period in question – indicator: Calibrated and verified EMMs / EMMs scheduled for calibration and verification * 100 [%];
- the effectiveness of measures to address risks and opportunities – indicator: overall risk level ≤ benchmark;
- Waste management – indicator: number of waste types collected / number of waste types eligible for separate collection * 100.

Monitoring the effectiveness of policies and actions through targets (MDR-T targets)

For the 2025 financial year, the Transelectrica Group sets out measurable and time-bound targets where these have been established for the material issues identified through the double materiality analysis, as well as the indicators used to monitor progress. For certain material matters, in the absence of quantified targets that have been reasonably established at the reporting date, the Group presents the information available and develops targets progressively as data, methodologies and internal processes are refined. Where, for certain requirements or data points, there is the option of phased implementation in accordance with Appendix C (as amended by Delegated Regulation (EU) 2025/1416), this is applied on a case-by-case basis and indicated in the relevant sections of the report.

Data points from cross-cutting standards and thematic standards derived from other EU legislation

The requirement to submit information and the corresponding data point	SFDR reference ⁹	Reference in Pillar 3 ¹⁰	The reference in the Regulation on Reference indices ¹¹	EU Reference from Climate Law ¹²
ESRS 2 GOV-1 Gender diversity within management bodies, point 21(d)	Indicator No. 13 in Table 1 from annex 1		Delegated Regulation (EU) 2020/1816 of the Commission ¹³ , Annex II	
ESRS 2 GOV-1 Percentage of members of the management bodies who are independent, point 21(e)			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence process, point 30	Indicator No. 10 in Table 3 in Annex 1			
ESRS E1-1 The transition plan for the realization of climate neutrality by 2050, paragraph (14)				Regulation (EU) 2021/1119, Art. 2 Paragraph (1)
ESRS E1-4 Greenhouse gas emission reduction targets, point 34	Indicator No. 4 in Table 2 in Annex 1	Section 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking portfolio – Transition risk associated with climate change: indicators for alignment	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5	Indicator No. 5 in			

⁹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

¹⁰ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, 'CRR') (OJ L 176, 27.6.2013, p. 1).

¹¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

¹² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

¹³ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

The requirement to submit information and the corresponding data point	SFDR reference⁹	Reference in Pillar 3¹⁰	The reference in the Regulation on Reference indices¹¹	EU Reference from Climate Law¹²
Fossil fuel consumption broken down by source (sectors only) with a significant impact (on climate change) para. 38	Table 1 and indicator no. 5 in Table 2 in Annex 1			
ESRS E1-5: Energy consumption and energy mix point 37	Indicator No. 5 in Table 1 in Annex 1			
ESRS E1-5 The energy intensity associated with activities in sectors with a high climate impact, paragraphs (40) to (43)	Indicator No. 6 in Table 1 in Annex 1			
ESRS E1-6 Gross values from 1, 2, 3 and total emissions of GHG, point 44	Indicators 1 and No. 2 in Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking portfolio – Transition risk associated with climatic: quality of credit exposures depending on the sector, by issue and by remaining maturity	Delegated Regulation (EU) 2020/1818, Article 5 paragraph (1), Article 6 and Art. 8 para. (1)	
ESRS E1-6 Intensity of gross GHG emissions, paragraphs (53) to (55)	Indicator No. 3 in Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking portfolio – Transition risk associated with climate change: indicators for alignment	Delegated Regulation (EU) 2020/1818, Art. 8 para. (1)	
ESRS E1-7 GHG removals and carbon credits, point 56				Regulation (EU) 2021/1119, Art. 2 para. (1)
ESRS E1-9 The benchmark index portfolio's exposure to			Delegated Regulation (EU) 2020/1818,	

The requirement to submit information and the corresponding data point	SFDR reference⁹	Reference in Pillar 3¹⁰	The reference in the Regulation on Reference indices¹¹	EU Reference from Climate Law¹²
physical climate-related risks, point 66			Annex II to Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Breakdown of monetary values according to acute and chronic physical risk, point 66(a) ESRS E1-9 Location of assets significant assets that are subject to significant physical risk, point 66(c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, points 46 and 47; Template 5: Banking portfolio – Physical risk associated with climate change: exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying amount of assets property classified by energy efficiency class point 67(c)		Article 449a of The Regulation (EU) No 575/2013; The Regulation for implementation (EU) 2022/2453 of Commission point 34; Form 2: Banking portfolio – The risk of transition related to climate change: Loans secured by real estate – Energy efficiency of the security interest.		
ESRS E1-9 The portfolio's exposure to climate-related opportunities – 69 points			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 The quantity of each pollutant listed in Annex II to the E-PRTR Regulation (European Pollutant Release and Transferred) into the air, water and soil, item 28	Indicator No. 8 in Table 1 in Annex 1 Indicator No. 2 in Table 2 in Annex 1 Indicator No. 1 in Table 2 in Annex 1 Indicator No. 3 in Table 2 in Annex 1			
ESRS E3-1 Water resources and marine resources, point 9	Indicator No. 7 in Table 2 in Annex 1			

The requirement to submit information and the corresponding data point	SFDR reference⁹	Reference in Pillar 3¹⁰	The reference in the Regulation on Reference indices¹¹	EU Reference from Climate Law¹²
ESRS E3-1 Specific policy item 13	Indicator No. 8 in Table 2 in Annex 1			
ESRS E3-4 Total recycled and reused water – point 28 (c)	Indicator No. 6.2 from Table 2 in annex 1			
ESRS E3-4 Total water consumption in m ³ per net income from in-house operations item 29	Indicator No. 6.1 from Table 2 in annex 1			
ESRS E4-2 Practices or policies sustainable with land use/agriculture point 24(b)	Indicator No. 11 in Table 2 of Annex 1			
ESRS E5-5 Non-recycled waste point 37(d)	Indicator No. 13 in Table 2 of Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste, point 39	Indicator No. 9 in Table 1 of Annex 1			
ESRS S1-1 Commitments regarding human rights policy, paragraph (20)	Indicator No. 9 in Table 3 and indicator no. 11 in Table 1 of Annex I			
ESRS S1-1 Due diligence policies regarding issues covered by the International Labour Organisation's Core Conventions 1–8 paragraph (21)			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 The workplace accident prevention policy or accident management system, point 23	Indicator No. 1 in Table 3 of Annex I			
ESRS S1-3 mechanisms for handling of complaints point 32(c)	Indicator No. 5 in Table 3 of Annex I			
ESRS S1-14 The number of deaths and the number and rate of accidents related to work, point 88(b) and (c)	Indicator No. 2 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14	Indicator No. 3 in			

The requirement to submit information and the corresponding data point	SFDR reference⁹	Reference in Pillar 3¹⁰	The reference in the Regulation on Reference indices¹¹	EU Reference from Climate Law¹²
Number of days lost as a result of injuries, accidents, deaths or illnesses, point 88 item (e)	Table 3 of Annex I			
ESRS S1-16 The pay gap among genders of the unadjusted form, point 97(a)	Indicator No 12 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 An excessive level of the ratio between the CEO's remuneration and that of workers, point 97(b)	Indicator No. 8 in Table 3 of Annex I			
ESRS S1-17 Incidents of discrimination, point 103(a)	Indicator No. 7 in Table 3 of Annex I			
ESRS S1-17 Non-compliance with the UN guidelines on business and human rights and OECD guidelines point 104(a)	Indicator No 10 in Table 1 and indicator No 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12 para. (1)	
ESRS S2-1 Commitments regarding the policy in the field of human rights, point 17	Indicator No. 9 in Table 3 and indicator No 11 in Table 1 of Annex 1			
ESRS S2-1 Policies concerning workers in the value chain, point 18	Indicators 11 and No. 4 in Table 3 of Annex 1			
ESRS S2-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Indicator No. 10 in Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12 para. (1)	
ESRS S2-1 Due diligence policies in regarding the issues covered by the International Labour Organisation's Core Conventions 1–8 point 19			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Aspects relating to	Indicator No. 14 in Table 3 of Annex 1			

The requirement to submit information and the corresponding data point	SFDR reference⁹	Reference in Pillar 3¹⁰	The reference in the Regulation on Reference indices¹¹	EU Reference from Climate Law¹²
human rights and incidents relating to its value chain in upstream and downstream item 36				
ESRS S3-1 Commitments regarding the policy in the field of human rights, item 16	Indicator No. 9 in Table 3 of Annex 1 and indicator No. 11 in Table 1 of annex 1			
ESRS S3-1 Failure to comply with the UN guidelines on business and human rights, the ILO principles or OECD guidelines item 17	Indicator No. 10 in Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12 Paragraph (1)	
ESRS S3-4 Aspects and incidents on human rights, paragraph 36	Indicator No. 14 in Table 3 of Annex 1			
ESRS S4-1 Policies regarding consumers and end users, point 16	Indicator No. 9 in Table 3 and indicator No 11 in Table 1 of Annex 1			
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Indicator No. 10 in Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12 para. (1)	
ESRS S4-4 Aspects and incidents on human rights, point 35	Indicator No. 14 in Table 3 of Annex 1			
ESRS G1-1 The UN's Convention against corruption point 10(b)	Indicator No. 15 in Table 3 of Annex 1			
ESRS G1-1 Protection of whistleblowers point 10(d)	Indicator No. 6 in Table 3 in Annex 1			
ESRS G1-4 Fines for breach of the laws on anti-corruption and the giving or taking of bribery, point 24(a)	Indicator No. 17 in Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	

The requirement to submit information and the corresponding data point	SFDR reference⁹	Reference in Pillar 3¹⁰	The reference in the Regulation on Reference indices¹¹	EU Reference from Climate Law¹²
ESRS G1-4 Anti-corruption standards and the giving and taking of bribery, point 24(b)	Indicator No. 16 in Table 3 of Annex 1			

CHAPTER II

ESRS E1 – E5 – Environmental aspects

1. Climate change (E1 1–9)

Integrating sustainability performance into incentive schemes (GOV-3)

By resolution of the General Meeting of Shareholders No. 1 of 15 January 2025¹⁴, the shareholders approved the key performance indicators (KPIs) and their weightings used to assess performance and determine the variable component of the remuneration of the members of the Management Board.

The Supervisory Board receives a fixed allowance with no variable component; consequently, 0% of the remuneration recognised in the current period is linked to performance considerations.

The Board receives fixed and variable remuneration, with the variable component determined on the basis of approved KPIs, structured as follows: 75% financial KPIs and 25% non-financial/non-commercial KPIs.

Climate-related considerations are incorporated through the energy efficiency indicator ‘Internal electricity consumption (RET stations and offices)’, which accounts for 3% of the variable component.

Furthermore, although the KPI ‘Implementation of the Annual Maintenance Plan’ does not explicitly refer to the Sustainability Plan or climate targets, it can be regarded as an indicator that contributes indirectly to sustainability (operational resilience). The indicator is included in the incentive scheme as a non-financial/non-commercial KPI, accounting for 10%; its climate relevance is indirect, through the prevention of faults, optimisation of network operation, reduction of energy losses and mitigation of vulnerabilities to extreme weather events, as well as by facilitating the integration of renewable sources into a secure and stable system.

At present, Transelectrica does not explicitly link remuneration to GHG emission reduction targets reported under E1-4 (tCO₂e/Scope 1–3); the link to climate is indirect, through the reduction of operational energy consumption (the internal consumption indicator).

Therefore, the percentage of the recognised remuneration linked to climate considerations: CS: 0% and the Management Board: 3% of the variable component, based on the KPI “*internal electricity consumption*”.

The Climate Change Mitigation Transition Plan (E1-1)

Although Transelectrica does not, at the time of reporting, have a formalised transition plan in the form of a dedicated document, the Company is implementing its strategies for mitigating climate change and enhancing resilience through approved and implemented planning tools and programmes, primarily:

¹⁴ Pursuant to the provisions of Law No. 158/2025 amending and supplementing Government Emergency Ordinance No. 109/2011, by Resolution No. 13 of 22 December 2025, the General Meeting of Shareholders approved the key performance indicators resulting from the Management Plan, initially approved by General Meeting Resolution No. 1/2025.

- (i) *The RET Development Plan 2024–2033* – which sets out the projects required for the development of the RET and their timetable, subject to approval by the General Meeting of Shareholders and submitted to ANRE for approval following a public consultation;
- (ii) *The Programme of Measures to Improve Energy Efficiency (2025)*, which sets out guidelines and measures to reduce network losses, optimise flows and digitise operations.

At the same time, the Company is considering the formalization of such a transition plan in a dedicated document. To this end, the market will be explored and the necessary steps will be initiated to define the optimal approach, so that the adoption of a formalized transition plan may be achieved within an estimated timeframe of approximately 3 years.

Compatibility with limiting global warming to 1.5 °C. During the reporting period, Transelectrica did not set quantitative targets for reducing GHG emissions within the meaning of requirement E1-4, so a formal assessment of the compatibility of the targets with limiting global warming to 1.5°C (Paris Agreement) is not applicable. However, the company aims to align its modernisation, digitalisation and energy efficiency initiatives with the decarbonisation targets set at European level, through projects that support the integration of renewable energy sources, the reduction of losses and the reduction of the climate impact of its operations.

Decarbonisation levers and key actions (including technologies). Transelectrica is implementing a number of measures to mitigate climate change and improve operational efficiency:

- **the integration of renewable energy sources** and facilitating their connection to the transmission grid;
- **promoting energy efficiency** through measures to optimise energy consumption and reduce network losses;
- **upgrading infrastructure and using climate-resilient technologies and materials**, thereby preventing equipment damage in extreme conditions;
- **monitoring and assessing climate-related risks** to the electricity grid, and taking measures to prevent faults and outages;
- **preventive maintenance and digital monitoring** to reduce operational risks caused by climate change;
- **reducing greenhouse gas (GHG) emissions** through the use of pressurised, sealed equipment and the monitoring of sulphur hexafluoride (SF₆) leaks, a potent greenhouse gas, whilst also complying with European legislation on the phasing out of this gas.

The main measures identified to support the climate transition include: reducing network losses through rewiring and upgrading substations, and the use of modern control devices (e.g. FACTS) to optimise power flows, digitise operations through energy management platforms and modernise EMS/SCADA systems, expand online monitoring and introduce smart grid solutions (including Dynamic Line Rating), as well as support the development of RES-related storage. As part of its project portfolio, Transelectrica is also implementing low-carbon technologies, including non-SF₆ (low-emission gases) in the flagship DigiTEL Green project (Mostiștea), alongside energy efficiency solutions (nZEB buildings, natural oils) and advanced digitalisation (including AI/robotics/drones for technical surveillance).

Investments/funding to support the transition (with figures). The implementation of these priorities is supported by investment from the portfolio of projects aimed at developing and digitising the RET. The consolidated overview of DTEETN projects (the Technical, Energy

Efficiency and New Technologies Directorate within Transelectrica) shows the total approved/updated value of the portfolio (approx. (1.61 billion RON) and includes projects relevant to climate transition and resilience (e.g. smart grid online monitoring, digital substations, DigiTEL Green, synchronous phase systems, line upgrades), along with their implementation stages and corresponding funding percentages.

It. no.	Name of investment projects	NACE CODE	Project stage TP/SF/CS/ PT/Construction	Total approved/updated amount [RON]	Funding [%]	Estimated commissioning [year]
1	Optimisation of the operation of the existing 400 kV LEA in the NES, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and the renewable energy plants in Dobrogea, by installing on-line monitoring systems (SMART GRID type);	35.13	Execution	49,457,200.00	99.25	2026
2	Pilot Project – Upgrade of the 220/110/20 kV Alba Iulia substation as a digital substation	35.13	Tender for works	661,245,754.00	34.45	2029
3	DigiTEL Green pilot project - Retrofitting of the 220/110/20 kV Mostiștea substation into a digital substation with reduced environmental impact;	35.13	Tender for works	464,780,169.46	51.76	2029
4	National Phasor Data System connected to the International Phasor Data Exchange (IPDE)	35.13	Purchase	7,995,627.00	100.00	2026
5	DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea-Tulcea West LEA from single circuit to double circuit.	35.13	SF+CS	335,000,000.00	100.00	2029
6	Optimising the operation of overhead power lines by extending the DigiTEL Smart Lines online monitoring system;	35.13	CS	91,502,826.50	100.00	2029
				1,609,981,576.96 RON approx. €320 million	80.91	

At the same time, *The Programme of Measures to Improve Energy Efficiency (2025)* sets out the measures implemented and associated investment costs, as well as estimated annual energy savings (energy efficiency indicators), including for Commissioning projects from August 2024 to August 2025.

A. Energy efficiency through the reduction of electricity consumption associated with internal station services:

No. it.	Name of the measure implemented (commissioning August 2024 – August 2025)	NACE CODE	The cost of the measure (Investment cost) (thousands of RON)	Annual energy savings (toe*)
1	Improving the operational reliability of the Argeş–Vâlcea grid area, construction of the 400 kV Arefu substation and installation of a 400 MVA, 400/220 kV transformer	35.13	83,375.75	17.20
2	Upgrade to 400 kV on the Porțile de Fier – Reșița – Timișoara – Săcălaz – Arad line – Phase I Reșița 400/220/110 kV substation	35.13	170,000.00	15.14

* The level of savings is based on estimates, as no relevant comparative data has yet been recorded.

B. Energy efficiency through the reduction of electricity consumption associated with the CPT in the RET:

It. no.	Name of the measure implemented (Commissioning August 2024 – August 2025)	NACE CODE	Cost of the measure (Investment cost) (thousand RON)	Annual energy savings (toe**)
1	Increasing the transmission capacity of the 220 kV Stejaru-Gheorgheni-Fântânele power line	35.13	49,371.19	50.05
2	LEA 400kV d.c. (1c.e) Gutinaș – Smârdan – Commissioning stage	35.13	30,737.79	33.54
3	220 kV double-circuit power line Ostrovu Mare – RET	35.13	30,737.79	4.73
4	Increasing the transmission capacity of the 400 kV Bucharest South–Pelicanu section (8 km)	35.13	6,505.62	4.82

* The level of savings is generally based on estimates, as no relevant comparative data has yet been recorded.

‘Locked’ GHG emissions – qualitative supplement (suitable for OTS). Given the nature of Transelectrica’s assets (transmission infrastructure), the risk of ‘stranded emissions’ differs from that in industries with fossil fuel assets; however, there are potential sources of emissions associated with operations and equipment (e.g. the use of insulating gases). In this context, the Company aims to modernise its technology and reduce the climate impact of its infrastructure, including through the introduction of non-fossil fuel technologies₆ in pilot projects and through measures to reduce losses and optimise network operation, which can alleviate transition pressures and associated risks.

Alignment with the taxonomy (revenue/CapEx/OpEx). Information regarding eligibility/alignment with the taxonomy (revenue/CapEx/OpEx) is presented in the section

dedicated to EU Taxonomy reporting, and the investment plans underpinning the transition are set out in the *RET Development Plan 2024–2033*.

Integrating these actions into the Company's development strategy. The transition objectives are integrated into the Company's investment strategy and planning through the *RET Development Plan 2024–2033*, which includes the projects necessary for the development of the RET and their scheduling over time, having been drawn up in accordance with legal obligations/licensing requirements and in line with European planning (TYNDP ENTSO-E), as well as through energy efficiency programmes that underpin measures and investments to reduce losses and optimise operations.

Progress in implementation. Progress in implementation is monitored through the stages of the projects in the investment portfolio, as well as through the estimated Commissioning deadlines and the corresponding funding percentages for the projects, based on regular internal reports on the stages (SF/CS/PT/execution), Commissioning deadlines and funding structure.

Adoption of a transition plan. As Transelectrica does not, at the time of reporting, have a formalised transition plan in the form of a dedicated document, the Company is assessing the advisability of formalising such a plan by consolidating, within a single framework, the strategies and measures already implemented through the *RET Development Plan 2024–2033* and through energy efficiency programmes. The timetable for adopting a dedicated transition plan will be set once the internal assessment stages have been completed and alignment with the ESRS requirements and developments in the applicable regulatory framework has been achieved.

Significant impacts, risks and opportunities, and their interaction with the strategy and business model (SBM-3)

Transelectrica faces significant challenges, but also strategic opportunities, in the energy transition. Through the effective management of financial, technological and climate-related risks, the Company aims to maximise the value of its investments in infrastructure, energy efficiency and digitalisation, thereby strengthening its position as a modern and sustainable transport operator. The adaptation and modernisation strategies are implemented through approved and implemented planning instruments and programmes, primarily via the *2024–2033 RET Development Plan* and the *Programme of Measures to Improve Energy Efficiency (2025)*.

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS E1	Climate change	Adapting to climate change		climate-related physical risk	Climate change and extreme weather events – such as storms or droughts – can affect the stability of infrastructure, impacting local ecosystems and creating operational risks
		Climate change mitigation Climate change mitigation		opportunity	Increasing access to sustainable finance: adopting measures to reduce environmental impact can facilitate access to European funds and green financing schemes
		Mitigating climate change		opportunity	Technological innovation: developing high-performance/advanced solutions for emissions control and pollution management can position the company as a leader in sustainability within the energy sector

		Mitigating climate change		impact	Positive impact: reducing pollution and protecting the environment by monitoring emissions and using less polluting technologies
		Mitigating climate change		opportunity	Technological opportunities: investment in cleaner and safer technologies, helping to reduce the environmental impact; the adoption of innovative solutions for managing greenhouse gas emissions
		Mitigating climate change		impact/opportunity	Reducing GHG emissions: by developing renewable energy infrastructure, Transelectrica is helping to achieve Romania's and the EU's climate targets
		Mitigating climate change		climate-related transition risk	Additional costs: the need to implement new, less polluting technologies; investments that may lead to higher operating costs
		Mitigating climate change		opportunity	The implementation of pollution monitoring and prevention solutions may improve environmental performance and alignment with European standards.
		Efficiency		climate-related transition risk	Technological risks: should strategic investments be delayed or fail, Transelectrica could face difficulties in achieving its energy efficiency and emissions reduction targets
		Efficiency		opportunity	Reducing operational costs: optimising energy consumption and implementing energy-efficient technologies will reduce costs in the long term

Classification of significant climate-related risks: physical risks versus transition risks. As part of its climate risk identification process, Transelectrica classifies significant climate-related risks as follows:

(i) *Climate-related physical risks* – associated with the increased frequency and severity of extreme weather events (storms, strong winds, high temperatures, freeze-thaw cycles, drought), which may affect the integrity, availability and performance of the RET infrastructure (lines, substations, critical equipment), with an impact on service continuity, operational safety and repair costs.

(ii) *Climate-related transition risks* – associated with evolving regulatory requirements and decarbonisation policies, the need for accelerated integration of renewable energy sources and grid modernisation/digitalisation, as well as technological and implementation risks (delays/failures in strategic projects) that may affect the achievement of energy efficiency targets, loss reduction and compliance with sustainability requirements.

During the reporting period, the resilience assessment was qualitative in nature and did not, as of the reporting date, include a climate risk analysis (based on RCP/SSP-type climate scenarios) or dedicated financial modelling related thereto. The Company acknowledges the usefulness of such an exercise for testing the resilience of its strategy and for providing a more robust basis for assessing climate-related risks. Consequently, Transelectrica is considering initiating the necessary steps to carry out a climate risk analysis based on climate scenarios within an estimated timeframe of approximately three years. Until then, the planning elements used will remain those integrated into the RET Development Plan and the related operational programmes.

With regard to setting GHG emission reduction targets (E1, E2, E4), Transelectrica did not set any quantitative GHG emission reduction targets within the reporting period in accordance with

requirement E1-4; consequently, there is no formal alignment of the E1-4 targets with climate and business scenarios.

The resilience of the strategy and business model to climate change

The scope of the resilience analysis. The resilience analysis applies to the electricity transmission network and associated critical infrastructure, including substations, high-voltage lines, telecommunications and network control systems, as well as the operational, maintenance and investment processes that underpin service continuity.

How and when the analysis is carried out. During the reporting period, the resilience analysis was carried out as part of the climate risk assessment within the framework of operational governance and investment planning (the RET Development Plan and energy efficiency programmes). The analysis was qualitative in nature and did not include quantified climate scenarios; the conclusions were used to prioritise modernisation, digitalisation and energy efficiency measures, as well as to strengthen preventive maintenance and monitoring measures.

Results of the resilience analysis. The results indicate that the main vulnerabilities are linked to the exposure of certain segments of the RET to extreme events (storms, high temperatures, freeze-thaw cycles), with potential effects on operational availability and safety. At the same time, transition risks highlight the need to accelerate modernisation and digitalisation, as well as investment in the integration of renewable energy sources and the reduction of losses, alongside the risk associated with delays in the implementation of strategic projects. In response, the Company is prioritising a portfolio of projects and measures that support resilience and the transition: the digitalisation of substations and operations, expanding online monitoring and smart grid solutions, optimising flows and reducing losses, as well as the gradual adoption of low-carbon technologies (including pilot projects with non-SF₆ solutions).

The ability to adapt the strategy and business model in the short, medium and long term.

Although no quantitative analysis has been carried out on a scenario-by-scenario basis, Transelectrica is assessing the flexibility of its strategy and business model through operational and investment measures, broken down by time horizon:

- a) *In the short term*, the company can adapt its operations by strengthening preventive maintenance, increasing digital monitoring and diagnostics, prioritising interventions in high-risk areas, and implementing energy efficiency measures with immediate effect (including reducing internal consumption and losses, where applicable).
- b) *In the medium term*, The Company is adjusting its strategy through the investment portfolio set out in the RET Development Plan and modernisation/digitalisation projects (digital substations, online monitoring/smart grid, synchronous condensers, cable replacement and other investments to increase network capacity and flexibility), whilst also taking into account the integration of RES. This approach enables upgrades and modernisation and reduces the risk of associated disruptions and losses.
- c) *In the long term*, adaptability relies on asset lifecycle planning and upgrades that enhance the structural resilience of the network and flexibility for the energy transition (including the integration of emerging technologies and the gradual reduction of dependencies on technologies with high climate impact, where appropriate).

With regard to ongoing access to finance and the cost of capital, Transelectrica aims to maintain an investment portfolio that qualifies for 'green'/sustainable financing mechanisms and instruments, through projects that contribute to modernisation, energy efficiency and digitalisation, as well as by aligning its reporting with sustainability requirements.

With regard to its portfolio of products and services, Transelectrica, as a transmission operator, is adapting its role by expanding the network's capacity and the operational capabilities required to integrate renewable energy sources and increase the system's flexibility. For the workforce, the transition involves developing skills in digitalised operations, data-driven maintenance and the use of new technologies; these needs are being addressed progressively by aligning internal skills with the implementation of projects.

Description of the processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)

The processes for identifying and assessing climate-related impacts, risks and opportunities (IRO) are carried out as part of the overall process described in ESRS 2 – IRO-1, including through the double materiality analysis conducted with management involvement (internal meeting), with the aim of ensuring a relevant representation of the material issues that influence the company's strategy and its environmental impact.

Furthermore, for the climate theme (E1), the process is implemented through the relevant internal structures and workflows (RET operations, maintenance, investment/planning, energy efficiency, integrated/environmental management and risk management), and the results are used to prioritise modernisation, digitalisation and energy efficiency measures (including in annual energy efficiency programmes and investment planning).

Impacts on climate change. The impacts on climate change are analysed by reference to the sources of GHG emissions relevant to the company's own operations, based on the emissions inventory reported in accordance with E1-6, as well as by identifying areas for action (energy efficiency, reduction of internal consumption/losses, and management of equipment and substances with climate-changing potential).

During the reporting period, Transelectrica did not set GHG targets in accordance with E1-4; the process is currently being consolidated to enable the definition, in future periods, of measurable targets and trajectories based on data, methodologies and internal governance mechanisms.

Climate-related physical risks – identification and assessment. Transelectrica identifies relevant short-, medium- and long-term climate hazards and carries out a preliminary screening of the exposure of its assets and activities, focusing on the types of hazards affecting the electricity transmission infrastructure (temperature, wind, water and, where applicable, solid-state phenomena), in both chronic and acute forms (e.g. heatwaves, storms, freeze-thaw cycles, drought, heavy rainfall/local flooding).

The time horizons used are aligned with the useful life of assets and with capital planning and allocation cycles: short-term (1–3 years), medium-term (4–10 years) and long-term (>10 years). The assessment of exposure and vulnerability is carried out primarily on a qualitative basis, by evaluating the probability, magnitude and duration of hazards and their potential impact on infrastructure availability, service continuity, response times and recovery costs.

During the reporting period, the exposure and sensitivity assessment did not include systematic geospatial mapping at coordinate/NUTS level for all assets and supply chains, nor was it informed by high-emission climate scenarios (e.g. (SSP5-8.5/NGFS)), but relied primarily on qualitative analysis and operational information.

Transition risks and opportunities – identification, exposure and sensitivity. Transelectrica identifies short-, medium- and long-term transition risks and opportunities by analysing regulatory and policy developments (decarbonisation, energy efficiency, integration of renewable energy sources), technological requirements (modernisation/digitalisation, flexibility), market dynamics and stakeholder expectations.

The use of climate scenario analysis. During the reporting period, Transelectrica did not use a formal analysis based on climate scenarios (neither high-emissions scenarios for physical risks nor 1.5°C scenarios for the transition) to support the identification and assessment of short-, medium- and long-term risks and opportunities. The company is considering the gradual development of the methodology in future reports, including the integration of climate scenario components and increased geospatial granularity, as data becomes available.

Policies relating to climate change mitigation and adaptation (E1-2)

Transelectrica outlines the policies through which it manages the significant impacts, risks and opportunities associated with climate change (mitigation and adaptation), in line with the overall policy framework set out in ESRS 2 (MDR-P). As at the reporting date, the approach is structured around a set of policies and framework documents that set out guidelines, responsibilities and monitoring mechanisms, including:

- a) *planning documents and operational investment programmes* (e.g. The RET Development Plan 2024–2033; energy efficiency programmes);
- b) *Policy/Statement for the Integrated Management System* (quality–environment–health and safety);
- c) *risk management policy*, which supports the integration of climate risks into governance and processes.

The policies and framework documents used by Transelectrica to manage significant climate-related IROs are implemented through internal procedures, management roles and responsibilities, annual programmes and regular monitoring (including via KPIs where these have been defined). The policies apply primarily to the organisation's own operations (RET and operations/maintenance/investment activities) and, where relevant and feasible, include requirements for relations with suppliers/contractors (upstream value chain), through compliance and contractual/procedural requirements. In particular:

- a) *Policies for the Integrated Management System* (quality–environment–OHS) include commitments regarding environmental protection, pollution prevention, continuous improvement and compliance, forming the internal framework through which relevant environmental impacts are managed, including those associated with climate-relevant activities (e.g. interventions/works, incident prevention, compliance).
- b) *The risk management policy* establishes a framework for identifying, assessing and managing risks, including climate-related risks (physical and transition risks), through a proactive approach, with defined responsibilities and internal control mechanisms.
- c) *Operational and investment policies and programmes* (described in the environment chapter) support the energy transition through modernisation/digitalisation, loss reduction and energy efficiency, as well as the management of transition risks (regulatory requirements, technologies, financing).

The areas covered by Transelectrica's policies. Transelectrica's policies and framework documents cover the following areas:

- a) *climate change mitigation* – through energy efficiency policies and measures (reducing internal consumption and minimising losses), technological upgrades and initiatives aimed at reducing the climate impact of operations (including the management of insulating gases where relevant);
- b) *adaptation to climate change* – by integrating climate risks into risk management and through operational and investment measures aimed at enhancing infrastructure resilience (preventive maintenance, digital monitoring, upgrades to the electricity transmission network);
- c) *energy efficiency* – through the energy efficiency policy/programme and associated measures (internal consumption, CPT, upgrades, monitoring), as reflected in internal and annual programmes and reports;
- d) *use of energy from renewable sources* – For Transelectrica, this area primarily concerns its role as a TSO in integrating RES into the transmission grid; the direct use of energy from renewable sources for its own consumption applies to the extent that it is relevant and implemented;
- e) *others* – climate-related support policies, such as: risk management (including business continuity), compliance requirements, governance and internal control, as well as the integrated management framework (quality–environment–HSE).

Actions and resources relating to climate change policies (E1-3)

In accordance with ESRS 2 MDR-A, Transelectrica outlines the key actions (implemented during the reporting period and planned) and the resources allocated to manage the significant impacts, risks and opportunities associated with climate change mitigation and adaptation. These measures are implemented through energy efficiency programmes and the investment portfolio for the modernisation and digitalisation of the electricity transmission network (including smart grid projects and digital substations), which are integrated into the investment planning process and monitored through internal reports on progress, deadlines and funding.

In 2025, Transelectrica implemented a series of strategic initiatives to optimise energy consumption and align with energy efficiency targets, including:

- supporting the implementation of the STARES project, which aims to build photovoltaic power stations (PPS) and energy storage facilities (ESF) to supply the Company's stations' internal services, with funding from non-repayable sources;
- updating the chapter on Energy Efficiency and New Technologies in the RET Development Plan for the period 2024–2033, reflecting the latest developments and regulations in the field;
- assessing energy efficiency components within ongoing investment projects, to ensure a sustainable and energy-optimised infrastructure;
- the annual preparation of the “*Energy Efficiency Improvement Programme*”, which sets out short-, medium- and long-term measures to reduce consumption and improve operational performance;
- completing the “*Energy Consumption Declaration*” and the “*Energy Analysis Questionnaire*”, based on the previous year's energy consumption, in accordance with the requirements of national and European regulations.

Key actions during the reporting year and planned actions. Mitigation measures are presented by decarbonisation levers relevant to a transport operator (reduction of losses, energy efficiency, digitalisation and operational flexibility), whilst adaptation measures aim to increase the infrastructure's resilience to extreme weather events.

Mitigation – decarbonisation measures:

- *reducing losses and optimising network operations* through the modernisation of lines and substations and through investments that increase capacity and energy efficiency (including measures with estimated energy savings);
- *digitalization and online monitoring (smart grid)* to optimize operating regimes and reduce operational risks (e.g.: online monitoring projects for 400 kV overhead lines, national synchrophasor system, digital stations);
- *low-carbon technologies* (where technically feasible), including pilot projects aimed at reducing environmental impact and non-SF₆ solutions in retrofitting projects.

Adaptation – building resilience (examples of actions):

- upgrades and modernisation measures that enhance the resilience of the infrastructure;
- preventive maintenance and enhanced technical supervision through digitalisation/monitoring (as supporting measures to reduce vulnerabilities to extreme weather events).

Nature-based solutions (NBS): during the reporting period, no significant nature-based mitigation actions were identified that could be reported as a key lever for decarbonisation in Transelectrica's (TSO) activities; the approach focuses on modernisation, energy efficiency and digitalisation.

The results of mitigation measures. The results of mitigation measures are primarily monitored using energy indicators (estimated energy savings/reductions in consumption), which form the basis for determining the associated reductions in emissions from energy consumption.

During the reporting period, the Energy Efficiency Programme provides examples of measures that have been implemented (Commissioning August 2024–August 2025), with estimated investment costs and annual savings (toe) for both internal consumption at substations and CPT within the RET.

The reduction in GHG emissions (tCO₂e) associated with these energy savings is consistently quantified using the methodology and emission factors employed in the emissions inventory (E1-6). At present, GHG reductions are tracked at the inventory level, and the full breakdown 'by action' (tCO₂e achieved/projected for each measure) is being addressed in stages, as data and traceability between projects/measures and reported emissions are consolidated.

Resources – CapEx and OpEx and their correlations

- *CapEx (capital expenditure):* the resources allocated for the implementation of these measures are reflected in the portfolio of projects for the development and digitalisation of the RET. The consolidated overview of DTEETN projects indicates a total approved/updated value for the portfolio of approximately 1.61 billion RON, including projects relevant to climate transition and resilience (smart grid online monitoring, digital substations, DigiTEL Green, synchronisers, line upgrades), with estimated stages, funding percentages and PIFs.
- *OpEx (operating expenses):* Operating expenses relating to the implementation and operation of activities (e.g. maintenance, services, monitoring, day-to-day operations) are managed through operational budgets and annual programmes; the detailed breakdown

is reflected in the financial statements under the headings and notes relating to operating and maintenance expenses.

The capital and operating expenses relating to the actions described are recognised in the Company's financial statements, in accordance with the applicable accounting policies, under the items relating to investments and operating expenses. The correlation of these figures with the key performance indicators set out in Delegated Regulation (EU) 2021/2178 (Taxonomy KPIs regarding eligible and aligned revenue/CapEx/OpEx) is presented in the section dedicated to EU Taxonomy reporting. Where applicable, the medium- and long-term investment plan (CapEx plan) supporting the implementation of these actions is also presented in the EU Taxonomy reporting, in line with the Company's internal investment planning tools.

Short-, medium- and long-term energy efficiency measures

Investments. During the reporting period and as part of the implementation of the 2024–2033 Transmission System Development Plan, Transelectrica is prioritising investments that support the expansion of cross-border interconnection capacity and the strengthening of interconnectivity with the networks of neighbouring countries, in line with ENTSO-E planning. In parallel, the projects in the PDRET aim to strengthen the grid to integrate new generation capacity from the Dobrogea and Moldova regions (predominantly RES and nuclear), facilitating the energy transition and ensuring safe and stable operation. In addition, the Company is carrying out modernisation and digitalisation projects to optimise workflows and reduce specific losses and consumption, with positive effects on operational efficiency and the reliability of the electricity transmission network.

These priorities are supported by the Annual Energy Efficiency Improvement Programme (short-, medium- and long-term measures), drawn up in accordance with the applicable legal obligations and reflected in internal planning documents (Administration Plan/Management Plan).

PLANNED ENERGY-EFFICIENCY MEASURES,							
including repairs and modernisation or refurbishment work							
1	<i>Short-term measures that are either free of charge or involve minimal costs, and do not require major investment</i>						
	Description of the measure	Application deadline – 2025	Estimated recovery time	The cost of implementing the measure	Energy saving		Specific energy-saving cost
			[years]		[MWh/year]	[toe / year]	
	Upgrade of the 400/110 kV Pelicanu substation	2025	10	106,822.53	46	3.96	2,322,228.91
	220 kV double-circuit power line Ostrovu Mare – RET – Phase I	2025	8	62,100.00	55	4.73	1,129,090.91

Improving the reliability of the power supply to consumers in the southern part of Bucharest connected to the 400/220/110/10 kV Bucharest South substation	2025	9.4	60,000.00	125	17.2	94.69	359,876.75
Upgrade to 400 kV on the Pořile de Fier – Reșița – Timișoara – Săcălaz – Arad line – Phase I 400/220/110 kV Reșița substation	2025	8	170,000.00	176	15.14	83.33	965,909.09
LEA 400kV d.c. (1c.e) Gutinas – Smardan	2025	11	324,467.22	390	33.54	184.64	863,974.36
TOTAL		9.28	723,389.75	792	74.56	410.47	1,128,216.00
Estimated energy savings				0.08%			

<i>Medium-term measures, spanning 2 to 3 years, aimed at an investment programme</i>							
Description of the measure	Application deadline	Estimated recovery time	The cost of the investment	Energy saving		Cost savings	Specific energy-saving cost
		[years]	[thousand RON]				
Upgrade of the 400/110/20 kV Smârdan substation	2026	7.5	136,390.00	87	7.48	41.19	1,567,701.15
Refurbishment of Isaccea 400 kV substation - Phase II	2026	11.5	128,200.00	100	8.6	47.34	1,282,000.00
2 Installation of two modern means of reactive power compensation in 400/220/110/20kV Sibiu Sud and 400/220/110/20 kV Bradu substations;	2026	7.09	261,000.00	45	3.87	21.3	5,800,000.00
Upgrade of the 220kV Brazi Vest – Teleajen power line to 400kV – Stalpu, including the procurement of a 400MVA 400/220/20kV transformer and extension works to the associated	2026	16	44,000.00	35	3.01	16.57	1,257,142.86

400kV and 220kV substations at the 400/220/110kV Brazi Vest substation - LOT 1 - 400 kV Brazi Vest overhead line – Teleajen – Stalpu								
Upgrade of the 220/110 kV Calafat substation	2026	15.3	68,850.00	73	6.28	34.56	943,150.68	
Installation of two modern means of reactive power compensation in 400/220/110/20k V Sibiu Sud and 400/220/110/20 kV Bradu substations;	2026	7.09	261,000.00	45	3.87	21.3	5,800,000.00	
Installation of photovoltaic power plants (PVP) and electricity storage facilities, intended to supply internal services at the CNTEE 'Transelectrica' SA substations	2026	8	114,000.00	11,500.00	989	5,444.56	9,913.04	
Replacement of Transformer No. 4 – 250 MVA, 400/110 kV at the 400/110 kV Draganesti Olt substation	2026	13.5	25,000.00	25	2.15	11.84	1,000,000.00	
The 220 kV Ostrovu Mare substation	2027	7	80,994.00	35	3.01	16.57	2,314,114.29	
Procurement and installation of a 100 MVar shunt reactor at the Portile de Fier 400 kV substation	2027	9	30,000.00	56	4.82	26.51	535,714.29	
Improving the reliability of the power supply to consumers in the north-eastern part of Bucharest connected to the 220/110/10 kV Fundeni substation	2027	9.4	95,100.00	80	6.88	37.88	1,188,750.00	

	Upgrading the 220 kV Brazi Vest – Teleajen – Stalpu overhead line to 400 kV, including the procurement of a 400 MVA 400/220/20 kV substation and extension works to the associated 400 kV and 220 kV substations, at the 400/220/110 kV Brazi Vest substation – LOT 1 – 400 kV Brazi Vest – Teleajen – Stalpu overhead line; LOT 2 – Extension of the Brazi Vest substation (including 400 MVA transformer)	2027	16	118,000.00	95	8.17	44.98	1,242,105.26
	The 400 kV Stâlpu Substation and the modernisation of the 110 kV and medium-voltage bays at the Stâlpu Substation	2027	7	128,000.00	125	10.75	59.18	1,024,000.00
	Upgrading the Porțile de Fier– Reșița– Timișoara– Săcălaz–Arad line to 400 kV, phase II: LEA 400kV d.c. Reșița – Timișoara – Săcălaz	2027	2.7	200,000.00	250	21.5	118.36	800,000.00
	TOTAL		9.79	1,690,534.00	12,551.00	1079.39	5942.15	1,768,899.40
	Estimated energy savings				1.09%			

3	Long-term measures, spanning 3 to 6 years, aimed at an investment programme							
	Description of the measure	Application deadline	Estimated recovery time	The cost of the investment	Energy saving		Cost savings	Specific energy-saving cost
			[years]	[thousand RON]				
					[MWh/year]	[toe / an]	[thousand RON / year]	[RON / MWh]

Upgrading the 220 kV Brazi Vest – Teleajen – Stalpu overhead line to 400 kV, including the procurement of a 400 MVA 400/220/20 kV transformer and extension works at the associated 400 kV and 220 kV substations, at the 400/220/110 kV Brazi Vest substation – the 400 kV Teleajen substation and refurbishment of the 110 kV substation	2028	16	162,000.00	95	8.17	44.98	1,705,263.16
Pilot Project – Upgrade of the 220/110/20 kV Alba Iulia substation as a digital substation	2029	11	414,342.93	150	12.9	71.02	2,762,286.20
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: The 400 kV Timișoara substation	2028	8.6	212,000.00	50.58	4.35	23.95	4,191,379.99
Transition of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis to 400 kV. 400 kV Timișoara–Arad transmission line (Phase III)	2028	12	1,855,000.00	125	10.75	59.18	14,840,000.00
Installation of the AT1 400 MVA, 400/220 kV unit at the 400/220 kV Roșiori substation + Installation of the control and protection system at the 400/220 kV Roșiori substation	2028	12	101,550.00	95	8.17	44.98	1,068,947.37
LEA 400kV d.c. (1ce) Constanta	2028	12	134,600.00	125	10.75	59.18	1,076,800.00

Nord – Medgidia Sud							
Upgrade of the 110 kV Medgidia Sud substation	2028	19	91,810.00	35	3.01	16.57	2,623,142.86
Upgrade of the 110 kV Arad substation and the upgrade to 400 kV of the Pořile de Fier–Anina–Reřita–Timiřoara–Săcălaz–Arad line. Arad 400 kV Substation (Phase III)	2029	12	61,670.00	50	4.3	23.67	1,233,400.00
Increasing the transmission capacity of the 220 kV Gutinař–Dumbrava overhead line	2029	9	46,500.00	40	3.44	18.94	1,162,500.00
Increasing the transmission capacity of the 220 kV Dumbrava–Stejaru overhead line	2029	9	21,100.00	40	3.44	18.94	527,500.00
Increasing the transmission capacity of the 220 kV Fântănele–Ungheni power line	2029	9	12,800.00	40	3.44	18.94	320,000.00
Installation of Circuit 2 of the 400 kV DC transmission line Gutinař – Smărdan	2029	5	179,000.00	80	6.88	37.88	2,237,500.00
Optimisation of voltage regulation and power quality parameters by installing FACTS equipment in Gutinař and Rořiori substations	2029	15	486,290.00	210	18.06	99.42	
220/110 kV substation for feeding into the 220 kV Baia Mare–Iernut overhead line at RED (Dej or Cuzdrioara)	2029	15	37,325.00	75	6.45	35.51	497,666.67
Replacement of Transformer 1 and Transformer 7 at Cluj Est station	2030	9.5	86,340.00	50			

Upgrade of the 220/110/20 kV Fântânele substation	2030	18	27,800.00	43	3.7	20.36	646,511.63
400/110 kV Bistrița substation, feeding into the 400 kV Suceava–Gădălin overhead line within the RED	2030	15	71,000.00	60	5.16	28.41	1,183,333.33
400 kV Porțile de Fier–Djerdap transmission line, circuit 2	2030	9	17,500.00	65	5.59	30.77	269,230.77
Construction of the 400 kV Nadab–Bekescaba overhead line, circuit 2, and associated works at the 400 kV Nadab substation	2030	7	16,000.00	65	5.59	30.77	246,153.85
400/110 kV transformer on Calea Aradului	2030	16	27,470.00	35	3.01	16.57	784,857.14
Upgrading of the 400/110 kV Dârste substation	2030	16	97,550.00	45	3.87	21.3	2,167,777.78
Installation of a new 400/110 kV transformer at Medgidia Sud	2030	11.5	30,500.00	45	3.87	21.3	677,777.78
Installation of a new 400/110 kV transformer at Smardan	2030	9.5	30,500.00	45	3.87	21.3	677,777.78
Replacement of the 2,400/110 kV transformer at Smârdan substation	2030	9.5	9,300.00	45	3.87	21.3	206,666.67
Reconstruction of the 220 kV Turnu Magurele–Ghizdaru overhead line	2030	9	41,500.00	40	3.44	18.94	1,037,500.00
Re-routing of the 220 kV Turnu Magurele–Craiova Nord overhead line	2030	9	73,500.00	40	3.44	18.94	1,837,500.00
Relocation of the 220 kV Bucharest South – Ghizdaru overhead line (excluding the Mostistea connection)	2030	9	73,000.00	40	3.44	18.94	1,825,000.00

Upgrading of the 220 kV Urechești–Târgu Jiu Nord–Paroșeni–Baru Mare–Hășdat transmission line	2030	9	46,000.00	40	3.44	18.94	1,150,000.00
Reconstruction of the 220 kV Porțile de Fier–Reșița overhead line	2030	9	68,400.00	60	5.16	28.41	1,140,000.00
LEA 400kV d.c. (1ce) Constanta Nord – Medgidia Sud		12	138,200.00	125	10.75	59.18	1,105,600.00
Replacement of ATs and transformers in electrical substations (phase 3)	2030	9.5	51,000.00	50	4.3	23.67	1,020,000.00
Replacement of the 220/110 kV Stupărei substation	2030	12	19,560.00	45	3.87	21.3	434,666.67
400 kV Porțile de Fier–Djerdap transmission line, circuit 2	2030	9	17,500.00	65	5.59	30.77	269,230.77
Construction of the 400 kV Nadab–Bekescaba overhead line, circuit 2, and associated works at the 400 kV Nadab substation	2030	7	16,000.00	65	5.59	30.77	246,153.85
Increasing the transmission capacity of the 220 kV Fântânele–Ungheni power line	2030	9	12,800.00	40	3.44	18.94	320,000.00
Replacement of the 220/110 kV Stupărei substation	2030	12	19,560.00	45	3.87	21.3	434,666.67
TOTAL		11.19	4,806,967.93	2,363.58	198.97	1,095.34	1,527,258.56
Estimated energy savings				0.20%			

Summary of planned measures		Estimated recovery time	Investment cost	Energy saving		Cost savings	Specific energy-saving cost
		[years]	[thousands of RON]	[MWh/year]	[toe/year]	[thousand RON / year]	[RON/MWh]

1	Short-term measures that are either free of charge or involve minimal costs, and do not require major investment	9.28	723,389.75	792	74.56	410.47	1,128,216.00
2	Medium-term measures, spanning 2 to 3 years, aimed at an investment programme	9.79	1,690,534.00	12,551.00	1,079.39	5,942.15	1,768,899.40
3	Long-term measures, spanning 3 to 6 years, aimed at an investment programme	11.19	4,806,967.93	2,363.58	198.97	1,095.34	1,527,258.56
TOTAL		10.1	7,220,891.68	15,706.58	1,352.92	7,447.96	1,474,791.32

Energy efficiency projects – new technologies and digitalisation

European strategies for the energy transition aim to increase the share of energy from renewable sources and modernise networks using advanced technologies, so that the electricity system operates more efficiently, flexibly and securely. In this context, it is essential for Transelectrica to accelerate technological innovation, as the development and adoption of new technologies for network equipment, as well as the use of digital modelling and operational tools, contribute to optimising energy flows, reducing losses and improving the energy performance of the national electricity transmission network.

In addition to digitalisation, the energy efficiency portfolio includes technical measures that have a direct impact on losses and consumption (e.g. rewiring, FACTS/compensation equipment, solutions for in-house services – including PV+storage – and energy management platforms/EMS-SCADA).

Projects of interest concerning the use of new technologies that have an impact on operational and energy efficiency		
Equipment/devices for regulating active power flows (congestion control)	infoTehnic applications (infoStații_BDU, infoLEA, Measurements, ITI, etc.) + technical database + interoperability	National Power Market Operator (PMU) connected to the IPDE
It optimises the distribution of power flows across corridors, reducing congestion and the need to 'reroute' flows via longer or less efficient paths.	It improves the quality and availability of technical data on assets, enabling better planning of maintenance and investments (replacing components with high failure rates, reducing unplanned interventions).	It enhances real-time visibility of the system (status, stability, oscillations), enabling operation closer to technical limits in a safe manner, without excessive margins that can lead to inefficiencies.
It reduces technical losses by avoiding sub-optimal flow patterns and ensuring that the network operates within its most efficient operating ranges.	It supports data-driven operational and maintenance decisions (settings, operating modes, prioritisation of tasks), which indirectly help to reduce losses and internal consumption.	It improves the early detection of instabilities and incidents, reducing the risk of failures or outages and the need for 'conservative' preventive measures (which can increase losses).
It reduces the need for costly operational measures (rescheduling/restrictions), thereby improving the efficiency of the National Grid's operation in the context of renewable energy integration.	Interoperability with other applications reduces errors and processing times, improves coordination and contributes to the efficiency of operational and asset management processes.	It supports the integration of renewable energy sources and cross-border coordination (through data exchange), which can reduce congestion and optimise flows in interconnected networks.

The impact of the measures is tracked by monitoring consumption and energy indicators (including M&T and M&V tools to quantify savings), and where applicable, specific KPIs are defined for internal services and CPT.

Environment. At Transelectrica, PO TEL 29.04 is used when implementing new projects or studies – Development of environmental management programmes and PO TEL 29.03 – Establishment, implementation and maintenance of quality, environmental and occupational health and safety objectives, procedures comprising actions, responsible parties and deadlines designed to ensure the achievement of environmental objectives and targets.

At the same time, an annual "Environmental Management and Protection Programme" is drawn up, setting out the actions and work required to achieve the Company's environmental objectives and targets, including deadlines, the necessary resources and the staff responsible for implementing the programme. The development and use of this programme is important for the implementation, maintenance and improvement of the Company's environmental management system. The activities and work included in the programme are described in detail in ESRs E2-2 – Actions and resources relating to pollution.

Transelectrica defines and implements preventive and corrective measures with the aim of reducing the environmental impact of its facilities and activities. The diversity of environmental conditions at each site of RES installations (overhead power lines, substations and connection points, buildings) gives rise to specific environmental impacts at various stages (design, construction, operation and decommissioning) of each installation. Consequently, preventive and

corrective measures are defined on a case-by-case basis, taking into account the specific conditions at each site.

The main actions and measures taken to prevent and/or limit the environmental impact:

- preparing documentation and submitting applications for the authorisation or reauthorisation of the Company's facilities in relation to environmental protection and water management
- carrying out construction or maintenance work on domestic and/or storm water drainage networks; installing oil-water separators on oil-filled equipment tanks and storage platforms; installing septic tanks; constructing concrete platforms for the temporary storage of equipment and waste; maintenance of oil or SF6 equipment to prevent leaks; painting of overhead power line (OPL) poles in colours appropriate to the landscape; clearing/maintenance of safety corridors for OPLs; restoration/landscaping of the site to its original condition (upon completion of works).
- procurement of services relating to:
 - i. monitoring the quality of wastewater at the Company's plants and offices and proposing solutions to reduce pollution in accordance with the requirements set out in environmental and water management permits;
 - ii. monitoring of atmospheric pollutant emissions (noise, electric and magnetic fields, pollutant emissions, ozone concentrations); the values obtained for the parameters measured were analysed and interpreted, leading to conclusions regarding pollutant emission levels and compliance with the limit values permitted by law;
 - iii. the collection, sorting, transport and recovery/disposal of waste.

Maintenance. A sustainable approach to maintenance aims to optimise the entire life cycle of equipment, from procurement to decommissioning. Implementing the concept of sustainability in maintenance work represents a long-term advantage that benefits both the Company and the environment.

The importance of the concept of sustainability in maintenance work stems from:

- *reducing environmental impact:* through the use of recycled materials, reduced resource consumption and proper waste management, maintenance activities can make a significant contribution to protecting the environment;
- *the efficient use of funds allocated to maintenance activities:* a sustainable approach can lead to the efficient use of funds allocated to maintenance in the long term, by extending the service life of equipment, reducing the number of interventions and optimising resource consumption;
- *Improving the company's image:* companies that adopt sustainable practices are perceived as being more socially responsible and can attract customers and investors who are mindful of their environmental impact.

Targets relating to climate change mitigation and adaptation (E1-4)

During the reporting period, Transelectrica did not set any quantitative targets for reducing GHG emissions as required by E1-4. Instead, the Company uses non-GHG targets and process targets to manage significant climate-related impacts, risks and opportunities, particularly in the areas of energy efficiency and operational resilience. At the same time, Transelectrica is considering developing the necessary framework for defining and adopting quantifiable GHG emission reduction targets aligned with the objectives of the Paris Agreement to limit global warming to

1.5°C. To this end, the Company will analyse the available methodological options and initiate the necessary steps, with a view to adopting such targets within an estimated timeframe of approximately three years.

1. Energy efficiency – operational targets (mitigation, indirect):

The Management Plan sets out multi-year targets for reducing internal electricity consumption (MWh) as an environmental indicator relevant to reducing the carbon footprint associated with energy consumption.

Targets for domestic electricity consumption

Category	Indicator	MU	2025	2026	2027	2028
Environmental indicators	Domestic consumption of ¹⁵ electricity	MWh	45,849	45,207	44,574	43,950

This indicator has a direct impact on the Company's carbon footprint. Reducing domestic energy consumption through energy efficiency measures helps to cut greenhouse gas emissions. Furthermore, using renewable energy sources for self-consumption can support the transition to a more sustainable energy model.

2. Governance and risk management – process objective

Transelectrica maintains as a governance objective the existence and implementation of an internal risk management framework (including the integration of relevant climate risks), to support the identification, assessment and management of physical and transition risks, thereby contributing to operational continuity and long-term resilience.

Risk management policy objectives

Indicator	2025	2026	2027	2028	2029
Establishing risk management policies	YES	YES	YES	YES	YES

This indicator reflects the maintenance, implementation and regular updating of the internal risk management framework (including the integration of relevant climate risks) throughout the term of office.

Risk management policies are essential for adapting to climate change, as they enable the Company to identify, assess and mitigate risks associated with extreme weather events, such as storms, heatwaves or temperature fluctuations that may affect energy infrastructure. Incorporating climate risks into business and operational strategies contributes to the company's long-term resilience.

3. Adaptation/resilience – operational performance targets (indirect climate link)

The company aims to maintain a high level of implementation of the Annual Maintenance Plan, with a target of at least 90% annual completion (2024–2028). Although this indicator is not a GHG

¹⁵ Own electricity consumption.

target, it supports the resilience of the RET infrastructure by preventing damage, reducing vulnerability to extreme weather events and limiting energy losses associated with incidents and sub-optimal operation. The Transelectrica Group is assessing the relevance of selecting 2024 as the baseline year.

Category	Indicator	Raw data	Formula
Non-financial 1	<i>Degree of implementation of the PAM</i>	<i>Maintenance carried out as part of the annual maintenance plan</i>	$\text{Grad realizare PAM} = \frac{\text{Activități de mentenanță realizate} * 100}{\text{Activități planificate în Planul de mentenanță anual}}$

Indicator	2024	2025	2026	2027	2028
Implementation of the PAM	90.0%	90.0%	90.0%	90.0%	90.0%

Although the extent to which the maintenance plan is implemented is indirectly linked to climate change, it plays a vital role in preventing failures and optimising the operation of energy infrastructure, thereby helping to increase the resilience of the electricity transmission system. Through rigorous and efficient maintenance, the risks associated with extreme weather events are reduced, energy losses are minimised, and the continuity and reliability of the supply to consumers are ensured. At the same time, a well-maintained transport system can facilitate the integration of renewable energy sources, supporting the transition to a more sustainable energy mix and thereby contributing, indirectly, to mitigating climate change.

At the same time, Transelectrica is taking concrete steps to reduce its environmental impact, including modernising infrastructure, optimising energy efficiency and implementing measures to reduce emissions (see Actions and resources related to climate change policies (E1-3) - Short-, medium- and long-term energy efficiency measures, highlighting the energy savings resulting from the investments made).

As the impact analysis and assessment process progresses, relevant indicators and measurable targets will be defined, in line with sustainability requirements and relevant European regulations.

However, in order to help mitigate climate change, the Group aims, as set out in the RET Development Plan:

- reducing greenhouse gas emissions – implementing measures to prevent and reduce SF₆ and CO₂ emissions;
- modernisation of energy infrastructure – investment in equipment and materials with a low environmental impact, which helps to reduce emissions and improve energy efficiency;
- optimising energy losses – implementing advanced technological solutions to reduce corona discharge losses and improve the efficiency of the transmission network;
- integration of renewable energy sources into the grid – developing solutions to increase the capacity to integrate energy from renewable sources, thereby reducing dependence on fossil fuels.

In line with European trends, the modernisation and technological upgrading initiatives aim to introduce equipment that has a lower environmental impact. Greenhouse gas emissions are prevented and reduced through the use of closed/sealed pressurised equipment, by ensuring that equipment maintenance is carried out according to schedule, and also by monitoring emissions.

From the perspective of RET maintenance, the energy efficiency of the electricity transmission network is a key objective for the Company and for society as a whole. The judicious application of the concept of energy efficiency, in conjunction with other concepts (such as the use of modern technologies in maintenance work and the optimisation of safety stock, etc.), can lead to the efficient use of funds allocated to maintenance, improved network reliability and a reduced environmental impact.

Energy efficiency is influenced by a number of factors, including the condition of the equipment, the configuration of the electrical network and weather conditions. Electrical equipment that has reached the end of its service life or has not been maintained in accordance with regulations can lead to significant energy losses. Furthermore, the configuration of the electricity transmission network plays a key role, with factors such as the length of overhead lines, operating voltage, and the type and number of conductors having a direct impact on energy losses. Furthermore, adverse weather conditions, such as frost or storms, can affect the network's performance and increase energy losses.

To support climate change mitigation and adaptation to its effects, it is essential to implement effective measures for the maintenance of energy infrastructure. A proactive approach, based on preventive maintenance and the use of advanced technologies, contributes significantly to reducing energy losses, improving operational efficiency and minimising the environmental impact. By optimising maintenance processes and updating diagnostic strategies, the resilience of electricity networks to extreme weather conditions can be improved, whilst ensuring a more responsible use of resources.

The proposed targets aim not only to improve operational efficiency, but also to demonstrate a long-term commitment to the sustainability of the energy sector.

- reducing energy losses through preventive maintenance – implementing and regularly carrying out maintenance services and works in accordance with technical regulations (NTI-TEL-R-001-2007), eliminating non-conformities and hotspots that contribute to energy losses;
- improving energy efficiency through proactive maintenance strategies – implementing a maintenance strategy that focuses on preventive maintenance, thereby reducing the risk of accidental breakdowns and minimising the need for corrective actions, which involve high energy consumption;
- optimising maintenance processes through the use of advanced technologies – implementing modern diagnostic methods, such as multispectral inspection, thermal imaging, chromatography and online monitoring of complex installations, to prevent faults and optimise equipment performance;
- increasing the resilience of the energy infrastructure to climate change – ensuring a more stable and sustainable electricity grid by implementing advanced maintenance practices that reduce the system's vulnerability to extreme weather events;
- reducing the carbon footprint by improving the efficiency of maintenance processes – optimising the resources used in maintenance activities, thereby reducing energy consumption and helping to achieve decarbonisation targets.

By implementing the concept of energy efficiency, the following objectives can be achieved:

- cost reduction – active energy losses (recorded both at substations and, in particular, on overhead power lines) represent direct costs for the Company. By reducing these losses, significant savings can be achieved;
- reducing environmental impact – by reducing energy losses, the greenhouse gas emissions associated with electricity generation are also reduced.

Energy consumption and the energy mix (E1-5)

Transelectrica is adopting an active strategy to improve the efficiency of its own energy consumption, in line with national and European regulations and sustainability targets. To this end, the Company submits annually the Total Energy Consumption Declaration and the Energy Analysis Questionnaire (submitted to the regulatory authority for the previous year), as well as the Energy Efficiency Improvement Programme, which includes short-, medium- and long-term measures to optimise the use of resources.

Total energy consumption in our own operations (MWh)

Transelectrica's energy consumption is dominated by **electricity**, broken down as follows:

- **Technological self-consumption (CPT)** in the RET, calculated as the difference between the energy fed into and the energy withdrawn from the RET (monitored in accordance with ANRE Order No. 12/2016);
- **Electricity consumption for overheads** (internal services at RET stations and administrative offices).

The table below provides a comparative overview of the CPT indicator in the RET network for the period 2024–2025.

Year	2024	2025*
Technological self-consumption in the RET (GWh)	949	883

CPT – developments and regulatory incentives. For own technological consumption (CPT) and for the TSO's electricity consumption other than CPT (internal consumption – consumption by internal services at RET substations and consumption at administrative offices), the ANRE regulatory framework provides for financial incentives aimed at reducing consumption. For own technological consumption (CPT), decreasing percentage targets set by ANRE apply for the purpose of recognising costs in the transmission tariff.

Breakdown of total consumption by source: fossil fuels / nuclear / renewable. Transelectrica draws up and submits annually to the competent authority (ANRE) the “*Declaration of total annual energy consumption*” and the “*Energy Analysis Questionnaire for the energy consumer*”, as well as the Annual Energy Efficiency Improvement Programme, as part of the obligations applicable to large energy consumers.

During the reporting period, energy consumption relating to the company's own operations was dominated by electricity purchased from the grid, for which a full breakdown by primary source (fossil / nuclear / renewable) is typically determined in specific reports to the regulatory authority, based on the information available at the time of reporting and the applicable methodologies.

A breakdown of energy consumption from fossil fuels. Transelectrica operates in an economic sector classified as having a high climate impact. The company breaks down energy consumption in its specific reports to ANRE (“*Annual Total Energy Consumption Declaration*” and “*Energy Analysis Questionnaire for the energy consumer*”), where fuel consumption is collected and reported by category.

Energy consumption and energy mix (MWh)	2024	2025
(1) Fuel consumption of coal and coal-based products (Mwh)	-	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	8.346	8.215
(3) Natural gas fuel consumption (MWh)	440	571
(4) Fuel consumption from other fossil sources (Mwh)	-	-
(5) Consumption of electricity, heat, steam and cooling purchased or obtained from fossil sources (Mwh)	280.720	295.199
(6) Total energy consumption from fossil sources (calculated as the sum of rows 1 to 5) (Mwh)	289.507	303.985
Share of fossil sources in total energy consumption (%)	30,04%	32,94%
(7) Consumption from nuclear sources (MWh)	182.946	191.774
Share of consumption from nuclear sources in total energy consumption (%)	18,99%	20,78%
(8) Consumption of fuel from renewable sources, including biomass (including bio-based industrial and municipal waste, biogas, hydrogen from renewable sources, etc.) (Mwh)	-	-
(9) Consumption of electricity, heat, steam and cooling purchased or obtained from renewable sources (Mwh)	491.165	427.217
(10) Consumption of energy from renewable sources, other than fuels, from own production (MWh)	-	-
(11) Total energy consumption from renewable sources (calculated as the sum of rows 8 to 10) (Mwh)	491.165	427.217
Share of renewables in total energy consumption (%)	50,97%	46,29%
Total energy consumption (calculated as the sum of rows 6,7 and 11) (Mwh)	963.617	922.976

The Group does not use PPA-type contracts and has not separately purchased or sold certificates of origin unbundled from electricity.

Furthermore, the Group does not use biomass for energy generation, and therefore no biogenic CO₂ emissions were generated under Scope 2.

Energy intensity (total energy consumption per net income) – sectors with a high climate impact. Transelectrica provides information on energy intensity, defined as follows: total energy consumption (MWh) relative to net revenue. In accordance with ESRS requirements, the indicator is calculated solely on the basis of:

- *numerator*: total energy consumption associated with activities in high-impact sectors (MWh);
- *denominator*: net revenue from the transmission service + net revenue from the balancing market (RON) + net revenue from system services.

	2024	2025
Total energy consumption (MWh)	963.617	922.976
of which: activities with a high climate impact (MWh)	963.617	922.976
Net revenues used for calculating GHG intensity (RON thousands)	7.623.458	5.513.251
Net income (other) (RON thousands)	-	-
Total net income (in financial statements) (RON thousands)	7.623.458	5.513.251
Energy intensity (MWh/ RON thousand net revenues)	0,13	0,17

Gross GHG emissions from categories 1, 2 and 3, and total GHG emissions (E1-6)

Indicators included in Scope 1, Scope 2 and Scope 3, and calculation methodologies

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025>

Scope 1

According to the definition set out in European regulations, Scope 1 refers to direct greenhouse gas (GHG) emissions from sources that are directly owned or controlled by an organisation. In accordance with European regulations and EFRS standards, the definition can be summarised as follows:

- **Direct emissions:** This refers to emissions resulting from physical processes (e.g. the combustion of fossil fuels, industrial processes) that take place in facilities or vehicles owned and operated by the organisation.
- **Direct control:** Emissions from sources over which the organisation has operational control and/or ownership.

Consequently, we have chosen to include the following indicators relevant to Transelectrica in Scope 1, together with the corresponding calculation methodologies:

- **Emissions generated by fuel consumption across the vehicle fleet**
 - Calculated using the DEFRA methodology; 2025
 - Basic formula: Emissions (tCO₂e) = Fuel consumption (litres) × Emission factor (kg CO₂/litre)/1000
- **Emissions resulting from the use of SF6 (leaks into the atmosphere)**
 - Calculated using the DEFRA methodology; 2025
 - Basic formula: Emissions (tCO₂) = Mass of SF₆ emitted (during installation, use and disposal) (kg) × Emission factor (kg CO₂/kg)/1000
- **Fugitive emissions resulting from air conditioning equipment (refrigerant leakage)**
 - Calculated using the DEFRA 2025 methodology.
 - Basic formula: Emissions (tCO₂e) = Mass of fugitive emissions (during installation, use, and disposal) (kg) × Emission factor (kg CO₂/kg) / 1,000

- **Emissions resulting from gas consumption under supply contracts with third parties**
 - Calculated by taking into account the natural gas consumption specified in the supply contracts and applying specific emission factors, in accordance with the DEFRA methodology; 2025
 - Basic formula: Emissions (tCO₂e) = Consumption (m³) × Emission factor (kg CO₂e/m³)/1000

Scope 2

Scope 2 refers to indirect greenhouse gas emissions resulting from an organisation's consumption of purchased energy, such as electricity or gas produced by an external source. In accordance with European regulations and EFRS standards, the definition can be summarised as follows:

- **Indirect emissions:** These are not generated directly by the organisation's activities, but result from the production of the energy it consumes.
- **Energy procurement:** This includes electricity, heat or steam generated outside the organisation but consumed in the course of its activities.
- **Responsibility:** The organisation is responsible for reporting these emissions, even if it does not actually produce them, because its choices regarding energy sources influence the overall climate impact.

We have therefore chosen to include the following indicators relevant to Transelectrica in Scope 2:

- **Emissions resulting from the use of electricity for internal process consumption –** for the calculation of emissions, the national, common emission factor was selected, namely Market-Based and, respectively, Location-Based
 - Calculated by taking into account the amount of energy purchased for CPT by Transelectrica and using the DEFRA methodology; 2025
 - Basic formula: Emissions (tCO₂e) = Energy consumed (MWh) × national emission factor (kg CO₂e/MWh)/1000
- **Emissions resulting from electricity consumption under supply contracts with third parties –** for the calculation of emissions, the emission factors corresponding to each supplier's respective energy label were used
 - Calculated by taking into account the electricity consumption specified in the supply contracts and applying specific emission factors, in accordance with the DEFRA methodology; 2025
 - Basic formula: Emissions (kg CO₂e) = Consumption (MWh) × Emissions factor (kg CO₂e/MWh).

Scope 3

Scope 3 refers to all indirect greenhouse gas emissions that occur as a result of the Group's activities and do not originate from sources that are directly owned or controlled. In accordance with European regulations and EFRS standards, the definition can be summarised as follows:

- **Extended indirect emissions:** These include emissions resulting from the organisation's value chain, the production of goods and services, transport, distribution, product use, right through to waste treatment and other related activities.
- **External sources:** Unlike Scope 1 and Scope 2, the sources of Scope 3 emissions are not directly owned or controlled by the organisation, but its activities have a significant influence on these emissions.
- **Important for a comprehensive assessment:** By including Scope 3 emissions, organisations can gain a more comprehensive picture of their environmental impact, highlighting opportunities to reduce emissions across the entire value chain.

Scope 3 emissions were calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard, using a combination of methods depending on data availability. No primary data were used for the calculation of Scope 3 emissions. All estimates were made using spent-based methods.

The Scope 3 categories, upstream, relevant to the Transelectrica Group are:

- **Category 1.** Purchased goods and services – The category includes upstream (i.e., base-to-gate) emissions from the production of products purchased or purchased by the Group in the reporting year. Products include both goods (tangible products) and services (intangible products).
- **Category 2.** Capital goods purchased - The category includes all upstream emissions (i.e., start-to-end) from the production of capital goods purchased or purchased by the Group in the reporting year. Emissions from the Group's use of capital goods are accounted for either for purpose 1 (e.g. for fuel use) or purpose 2 (e.g. for the use of electricity) rather than for purpose 3. Products include both goods (tangible products) and services (intangible products).
- **Category 3.** Fuel and energy activities not included in Scope 1 or 2 – The category includes emissions related to the production of fuels and energy purchased and consumed by the Group in the reporting year that are not included in Scope 1 or 2
- **Category 4.** Upstream transmission and distribution - The category includes emissions from:
 - Transport and distribution of products purchased in the reporting year, between the Group's Tier 1 suppliers and its own operations in vehicles that are not owned or operated by the Group (including multimodal transport where multiple carriers are involved in the delivery of a product, but excluding fuel and energy products)
 - Third-party transmission and distribution services purchased by the Group in the reporting year
 (either directly or through an intermediary), including inbound logistics, outbound logistics (e.g. of products sold) and third-party transport and distribution between the Group's own facilities
- **Category 5.** Waste generated from operations – includes emissions from waste treatment resulting from maintenance and refurbishment

- **Category 6.** Business travel – includes emissions resulting from business travel and the transport of employees for professional activities by means of transport not owned by the Company (air transport)**Category 7.** Employee commuting - Category includes emissions from transporting employees between their homes and workplaces

The categories of Purpose 3, downstream, relevant to the Transelectrica Group are:

- **Category 13.** Downstream leased goods - The category includes emissions from the exploitation of assets held by the Group (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or 2. This category applies to landlords (i.e. businesses that receive payments from tenants).
- **Category 15.** Investments - The category includes scope 3 emissions associated with the Group's investments in the reporting year, which are not already included in scope 1 or scope 2.

Five Purpose 3 categories were not included in the 2025 inventory: 3.8 Upstream leased assets, 3.9 Downstream transportation, 3.10 Processing of products sold, 3.12 Treatment of products sold at the end of their life cycle, and 3.14 Franchises. The exclusion is determined by their lack of relevance to the current business model.

The calculation methodologies for Scope 3 emissions for each category were as follows:

Category 1

The indirect emissions generated as a result of the production processes of goods or the provision of services purchased by the subsidiaries of the Transelectrica Group were calculated on the basis of the expenses recorded in the accounts. The calculation was made using the emission factors published by CEDA.

- Basic formula: Emissions (tCO₂e) = Expenditure by type of goods/services (RON) x CEDA emission factor (kg CO₂e/ RON)/ 1000

Category 2

The indirect emissions generated from the production processes of goods or the provision of services purchased by the subsidiaries of the Trasnelectrica Group were calculated on the basis of the capitalized expenses recorded in the accounts. The calculation was made using the emission factors published by CEDA.

Basic formula: Emissions (tCO₂e) = Capitalized expenditure by type of goods/services (addition of tangible/intangible fixed asset in the year) (RON) x CEDA emission factor (kg CO₂e/ RON)/ 1000.

Category 3

Emissions were calculated individually for the fuels used (diesel, petrol and natural gas) and for electricity, using the following emission factors:

1. For fossil fuels (diesel, petrol and natural gas), the upstream emissions (WTT) were calculated using the emission factors published by DEFRA for the year 2025.

Basic formula: Emissions (tCo2e) = Consumption (liters or m3) x Emission factor (kg Co2/litre)/ 1000

2. The calculation of the upstream emissions (WTT) associated with the extraction and transmission of raw material for the production of electricity lost in the transmission and distribution network (WTT) was carried out by the two recommended methods 'location based' and 'market based', using the emission factor calculated on the basis of the calculation formula published by DEFRA in the aforementioned own methodology, starting from the value of the national emission factor for 2024.

Basic formula: Emissions (tCo2e) = (National emission factor (g/ kWh) x 0.2419)/ 1,000,000

3. The calculation of the upstream emissions (WTT) associated with the extraction and transmission of raw materials for electricity purchased by the subsidiaries of the Transelectrica Group for own consumption, was carried out by both methods of recommended calculation 'location based' and 'market based', using the emission factor calculated on the basis of the calculation formula published by DEFRA in its own methodology. using the latest available value of supplier-specific emission factors from energy label purchases (2024)

Basic formula: Emissions (tCo2e) = Σ (Supplier-specific emission factor (g/kWh) x 0.2419)/ 1,000,000

Categories 4, 6 and 7

The indirect emissions generated by the upstream transmission and distribution, the business trips of the employees of the subsidiaries of the Trasnelectrica Group, as well as their commute were calculated on the basis of the expenses recorded in the accounts 624 "Expenses with the transport of goods and personnel" and 625 "Expenses with travel, secondments and transfers". The calculation was made using the emission factors published by CEDA.

- Basic formula: Emissions (tCO2e) = Expenditure in the year (RON) x CEDA emission factor (kg CO2e/ RON)/ 1000

Category 5

The emissions resulting from waste management operations carried out by specialized companies were calculated using the emission factors published by DEFRA in 2025, for each category of waste generated by the subsidiaries of the Transelectrica Group, taking into account the method of disposal and recovery for each individual.

- Basic formula: Emissions (tCo2e) = Mass (tonnes) x Emission factor (kg Co2e/tonne)

Category 13

The indirect emissions generated by the downstream leased goods were calculated on the basis of the revenues recorded in the accounts 624 'Expenditure on the transport of goods and personnel' and 625 'Expenditure on travel, secondments and transfers'. The calculation was made using the emission factors published by CEDA.

- Basic formula: Emissions (tCO₂e) = Revenue in the year (RON) x CEDA emission factor (kg CO₂e/ RON)/ 1000

Category 15

Indirect emissions generated by the Group's investment in other companies that do not enter consolidation and that can be found in the list of financial assets in the consolidated financial statements. The calculation was made using the emission factors published by CEDA.

- Basic formula: Emissions (tCO₂e) = Σ (% of Group ownership in the company in the reporting year x Affiliate's turnover in the reporting year (RON) x CEDA emission factor (kg CO₂e/ RON)/ 1000)

Methodological changes and comparability

In 2025 the calculation methodology for Scope 1, Scope 2 and Scope 3 has been modified compared to the previous year and the emission sources have been reconsidered, as desired:

- For scope 1 and 2 the IPCC guidelines have been replaced by the DEFRA database;
- For Scope 3, in 2025 the categories 3.1 Purchased goods and services, 3.2 Capital goods, 3.3 Fuel/energy activities (excl. S1, S2), 3.7 Employee commute, 3.13 Downstream leased assets and 3.15 Investments were also calculated;
- Category 3.4 Upstream transmission and distribution has been reconsidered and the IPCC guidelines have been replaced with the CEDA database
- For categories 3.5 Waste generated in operations and 3.6 Business travel, the IPCC guides have been replaced by DEFRA

The motivation for the change was determined by the higher sectoral granularity and more representative emission factors for the reporting year, in line with the GHG Protocol recommendations. The data for 2024 have been recalculated with the same methodology, so that the 2024 - 2025 series is comparable, without discontinuities.

No biogenic CO₂ emissions were recorded in any category. At the time of reporting, no significant events materially influencing the emissions inventory have been identified.

Table relating to emissions broken down for each element taken into account in the calculation of Transelectrica's Scopes

	2024 reported	2024 Reported	2025	% 2025/2024
Category 1 GHG emissions				
Gross GHG emissions category 1 emissions (tCO ₂ equivalent)	234.624	5.282	5.477	104%
Percentage of Category 1GHG emissions from regulated emissions trading schemes (%)	0%	0%	0%	0%

Category 2 GHG emissions				
Location-based gross Category 2 GHG emissions (tCO2 equivalent)	11.919	164.431	164.298	100%
Market-based gross GHG emissions Category 2 (tCO2 equivalent)	11.919	164.431	164.454	100%
Significant GHG Category 3 emissions				
1. Purchased goods and services	-	33.579	10.548	31%
2. Capital goods	-	65.727	68.050	104%
3. Fuels and energy-related activitiesActivities (not included in category 1 or category 2)	-	164.431	40.510	25%
4. Upstream transmission and distribution	11.832.045	355 *)	338*)	95%
5. Waste generated during operations	524	823.796	1.229.290	149%
6. Business Travel		-	-	0%
7. Employee commute	59	-	-	0%
8. Upstream leased assets		-	-	0%
9. Downstream transport		-	-	0%
10. Processing of Sold Products		-	-	0%
11. Use of Sold Products		-	-	0%
12. Treatment of products sold at the end of their life cycle		-	-	0%
13. Downstream leased assets		26	37	139%
14. Franchise				
15. Investments		405.788	348.590	86%
Total GHG emissions				
Total GHG emissions (site-based) (tCO2 equivalent)	12.079.171	1.663.416	1.867.138	112%
Total GHG emissions (market-based) (tCO2 equivalent)	12.079.171	1.663.416	1.867.294	112%

*) The value is estimated using the spend-based method and relates to categories 3.4 Upstream transportation and distribution, 3.6 Business travel, and 3.7 Employee commuting.

GHG emissions intensity

GHG emissions intensity is calculated as the ratio between total gross emissions (Scopes 1, 2 and 3) and the company's net revenue.

	2024 (tCO2e)	Intensitatea emisiilor 2024	2025 (tCO2e)	Intensitatea emisiilor 2025	Intensitatea emisiilor % 2025/ 2024
Scope 1	5.282	0,00069	5.477	0,00099	1,43
Scope 2 - Location based	164.431	0,02157	164.298	0,02980	1,38
Scope 2 - Market based	164.431	0,02157	164.454	0,02983	1,38
Scope 3	1.493.703	0,19594	1.867.138	0,33866	1,73

	2024	2025
Net income from activities with high climate impact (RON thousand)	7.623.458	5.513.251
Net income (other) (RON thousands)	-	-
Total net income (in financial statements) (RON thousands)	7.623.458	5.513.251

GHG removals and GHG emission reduction projects funded by carbon credits (E1-7)

In 2025, Transelectrica did not develop projects that generate GHG removals or storage (tCO₂e) in its own operations and did not contribute to such projects in the upstream or downstream value chain. Furthermore, Transelectrica has not funded mitigation projects outside the value chain through the purchase or cancellation of carbon credits, nor has it made public any claims regarding

Upgrade, digitalisation and energy efficiency projects (e.g. reducing CPT, CEF-type projects + storage for internal services, optimising flows through smart-grid technologies) lead to reductions in gross emissions by reducing energy consumption and are presented in E1-3 (Actions and resources) and reflected in E1-6 (GHG emissions), and do not fall under E1-7.

Setting the domestic carbon price (E1-8)

Given the specific nature of its operations, the Company requires a detailed internal analysis, as well as the approval of ANRE, in its capacity as the regulatory authority. Transelectrica does not currently apply any internal carbon pricing schemes. However, Transelectrica intends to examine in detail, in the future, the possibility of implementing a robust and transparent methodology designed to reflect the future risks and costs associated with carbon emissions.

This process requires a period of analysis and consultation; consequently, implementation in accordance with the ESRS cannot be carried out for a number of reasons:

- *the need for a detailed internal analysis* – given the specific nature of its activities, Transelectrica must assess the impact of such a system on its operations, investment strategies and regulated tariffs;
- *the need for ANRE approval* – as a transmission and system operator in the electricity sector, Transelectrica is subject to the regulations imposed by ANRE. Any domestic carbon pricing mechanism could have implications for transmission tariffs and, consequently, for consumers and the energy market. Therefore, dialogue with the regulatory authority is required in order to reach a clear agreement on the feasibility and applicability of such a system;
- *the complexity of the methodology* – ESRS standards require rigorous reporting that is aligned with European climate impact accounting practices. Developing a robust and transparent methodology that accurately reflects the future risks and costs associated with carbon emissions requires time to define the relevant indicators, test the models and align with international best practice;
- *the lack of an existing internal framework* – at present, Transelectrica does not have an internal carbon pricing system, which means it has to build this mechanism from scratch. This process involves putting together a dedicated team, establishing a methodology, testing and validating it, and integrating it into decision-making and reporting processes;

- *alignment with the legislative framework and national policies* – developments in European and national legislation on carbon pricing and the integration of ESG considerations into the energy sector must be taken into account. The premature implementation of such a system, without a clear regulatory framework at national level, could give rise to uncertainty and financial risks for the Company.

Consequently, the setting of a domestic carbon price will be addressed in the coming period, but in a prudent and phased manner to ensure compliance with current standards and regulations.

Furthermore, the subsidiaries Teletrans and Smart do not currently apply internal carbon pricing systems.

The anticipated financial impacts of significant physical and transition risks and potential climate-related opportunities (E1-9)

In the 2025 reporting year, Transelectrica identified significant climate risks (physical and transition risks) and potential opportunities as part of its risk management and materiality analysis processes. However, during the reporting period, the Company does not have a robust financial quantification of the anticipated effects that meets the qualitative characteristics of useful information (comparability, verifiability and fair presentation), as a comprehensive methodology has not yet been implemented for: (i) geospatial mapping of assets' exposure to climate-related risks, (ii) monetary valuation of exposed assets/revenues across different time horizons, and (iii) integration of climate scenarios into financial modelling. Consequently, reporting for E1-9 is provided on a qualitative basis, in line with the phased-in approach set out in Appendix C to ESRS 1, as amended by Delegated Regulation (EU) 2025/1416.

Significant physical risks – anticipated financial impact. Physical risks (such as extreme weather events) can have financial consequences through damage to assets, operational disruptions, increased maintenance and repair costs, and potential additional investment to enhance resilience. In 2025, the Company does not provide monetary values or percentages of assets or net revenue exposed to physical risk (acute/chronic) in the short, medium and long term, nor does it disclose the location of exposed assets at the required level of detail, as these elements are currently undergoing methodological development and data collection/validation.

Significant transition risks – anticipated financial implications. Transition risks may have financial implications in the form of compliance costs, the need to accelerate modernisation and digitalisation investments, project delay risks, potential changes in the cost of capital, and possible accounting obligations or adjustments depending on regulatory and technological developments. In 2025, the Company does not disclose monetary values or percentages of assets/revenues exposed to short-, medium- and long-term transition risks, does not provide a breakdown of the carrying amount of property assets by energy efficiency class, and does not quantify potential liabilities associated with the transition, as the methodology and data required for a credible quantification are currently under development.

Reconciliation with the financial statements. In 2025, as the Company does not report monetary measurements of assets, income or liabilities exposed to climate-related risks, reconciliation with line items or explanatory notes in the financial statements does not apply. The company will include reconciliations in future periods, as and when the figures become available.

Climate-related opportunities – anticipated financial impacts. Transelectrica believes that climate-related opportunities can arise primarily from the modernisation and digitalisation of

infrastructure, the reduction of losses, increased energy efficiency, access to sustainable financing, and the role played in the integration of renewable energy sources. For the year 2025, the Company does not quantify the financial effects of the opportunities (cost savings or changes in revenue), as such a quantification would not, at this stage, meet the qualitative characteristics of useful information.

2. Pollution (E2 1–6)

Description of the processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)

The process of identifying and assessing significant impacts, risks and opportunities relating to pollution is carried out in accordance with internal risk management and environmental protection procedures, based on applicable national and European regulations. The aim of the process is:

- a) identifying potential sources of pollution associated with its own operations and, where relevant and feasible, with the upstream and downstream value chain;
- b) assessment of exposure and potential effects on soil, water and air;
- c) the definition and implementation of prevention, mitigation and control measures;
- d) regularly monitoring and updating the measures and the risk register, with a view to continuously improving environmental performance.

Methodologies, assumptions and tools used in the evaluation process			
Risk and impact analysis	Environmental audits and assessments	Environmental management plans	Monitoring and reporting
Standardised procedures for identifying risks associated with operational activities, including those arising from the maintenance, modernisation and expansion of infrastructure	Regular environmental audits to identify sources of pollution, associated risks and the measures required to prevent negative environmental impacts	The plans set out measures to prevent and reduce pollution, such as the installation of oil-water separators, waste management and the optimisation of resource consumption	Transelectrica operates a system for the continuous monitoring of pollutant emissions and environmental impact, using validated measurement equipment and technologies
Analysis of emitted pollutants (e.g. (SF ₆ , flue gas emissions, chemical leaks), as well as the effects on biodiversity and natural resources	Measurements of air, water and soil quality in operational areas, in accordance with national and European regulations	Environmental monitoring programme, with regular reports on compliance with legal requirements	The data collected is analysed and included in the risk register and the annual sustainability and compliance reports

To provide a clear and relevant perspective on Transelectrica's activities, performance, and the impacts it generates, the Group carried out the double materiality assessment in accordance with the requirements of the sustainability standards, through a process that combined internal assessment with consideration of the results of dialogue and consultations with relevant stakeholders. In this context, management representatives actively participated, during an internal working session, in the identification and assessment of the key matters influencing both

the business strategy and the Group's impact on the environment and society, the analysis being complemented by relevant information derived from stakeholder interactions and consultation mechanisms.

Transelectrica has reviewed its sites and business activities to identify the actual and potential impacts, risks and opportunities relating to pollution. The Group defines and implements preventive and corrective measures with a view to minimising the environmental impact of its facilities and operations. The diversity of environmental conditions at each site of RES installations (overhead power lines, substations and connection points, buildings) gives rise to specific environmental impacts at various stages (design, construction and operation) of each installation; consequently, measures are defined on a case-by-case basis, taking into account the conditions prevailing at each site.

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS E2	Pollution	Soil pollution		impact	Impact on the soil: accidental spills of insulating oil and fuels from electrical equipment or machinery may contaminate the soil
		Soil pollution Air pollution		risk	Technological/operational risks: equipment failures that may lead to accidental leaks of hazardous substances, affecting compliance with environmental legislation
		Soil pollution		impact	Impact on the soil – accidental spills of mineral oils, SF6, hazardous chemicals or other industrial waste can contaminate the soil, affecting local ecosystems and the quality of natural resources
		Soil pollution		impact	Soil pollution – accidental spills of industrial oils, fuels and chemicals used in equipment can contaminate the soil, affecting biodiversity and ecosystems
		Soil pollution		risk	Operational and environmental risks: accidental leaks of hazardous substances (e.g. oils, SF6), with a negative impact on the environment

According to the double materiality analysis, The Transelectrica Group has identified significant impacts and risks related to soil pollution, mainly associated with the operation and maintenance of the RET infrastructure, as well as modernisation activities and field works (e.g. potential accidental spills of oils/fuels, management of substances and waste, site activities). During the reporting period, no major pollution incidents were recorded; however, the Group treats these matters as material due to their potential nature, compliance obligations and the need to prevent impacts on soil, water and air.

Sites where pollution may be a material issue (own operations and the value chain).

Following the materiality assessment, issues relating to pollution may be particularly relevant to:

- **electrical substations** and associated platforms (oil-containing equipment, retention areas, oil-water separators, rainwater/wastewater management);
- **LEA corridors** and field intervention areas (vegetation maintenance work, access for machinery, ad hoc repairs);

- **temporary construction sites** (site management, temporary storage, construction and installation works);
- **offices/workshops/warehouses** (waste management, materials/consumables, utilities).

The volume of installations managed by Transelectrica			
81 electrical substations	8,834.4 km of overhead power lines (OPL)	216 main processing units with a total capacity of 38,058 MW	
1 substation – 750 kV	3.1 km – 750 kV	2 × 1250 MVA	2 × 63 MVA
38 substations – 400 kV	4915.2 km – 400 kV	2 × 500 MVA	9 × 40 MVA
42 substations – 220 kV	3875.6 km – 220 kV	22 × 400 MVA	24 × 25 MVA
	40.4 km – 110 kV	31 × 250 MVA	1 × 20 MVA
		81 × 200 MVA	32 × 16 MVA
		1 × 100 MVA	9 × 10 MVA

Within the value chain, relevant issues may arise in particular in relation to contractors carrying out works and to operators authorised to collect, transport, recover or dispose of waste.

Policies relating to pollution (E2-1)

Pollution is addressed as an essential element in the environmental policies of the Transelectrica Group, given its potential impact on the environment and public health, in line with the findings of the double materiality analysis.

In this context, the Company's management has established an environmental policy as an integral part of its overall policy, aimed at implementing environmental management throughout the organisation and across all activities, by promoting an organisational culture focused on environmental protection and sustainable development.

Transelectrica has adopted the Policy Statement on Quality, Environmental, Health and Safety Management, with the aim of maintaining an effective environmental management system, preventing and reducing pollution, ensuring compliance with national and European regulations and the continuous improvement of environmental performance.

The Risk Management Policy Statement also applies to pollution-related matters, as it covers the identification, analysis and management of operational and environmental risks that may affect the Company's operations, including risks associated with the operation, maintenance and modernisation of infrastructure.

Furthermore, the policies and investment priorities set out in the RET Development Plan 2024–2033, as well as policies on energy efficiency and grid digitalisation (smart grid), include measures aimed at reducing the pollution footprint through infrastructure modernisation, the use of equipment with a low environmental impact, and the strengthening of operational control (monitoring, maintenance, leak prevention, waste management).

The company implements and maintains an Integrated Management System for quality, the environment and occupational health and safety, in accordance with the highest international standards: SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2023. This

system ensures legal compliance, process optimisation and a reduced environmental impact, thereby establishing a responsible and sustainable operating model.

Policies relating to pollution apply primarily to the company's own operations (power stations, overhead power lines, premises and operations/maintenance/upgrading activities) and, where applicable, include requirements for the upstream and downstream value chain (suppliers, contractors and authorised waste operators), through procedural/contractual requirements and compliance obligations.

With regard to its own operations and value chain, Transelectrica's policies address the following key aspects:

- ***mitigating negative impacts on air, water and soil (prevention and control)*** – measures to prevent contamination and control potential sources of pollution, including through oil–water separators, rainwater/wastewater management, waste management (including hazardous waste) and requirements for site activities (organisation, temporary storage, dust/noise, compliance);
- ***reducing/replacing substances of concern*** – applying legal requirements regarding hazardous substances and minimising their use wherever possible, including by choosing low-impact solutions/equipment and through strict control of handling, storage and traceability;
- ***incident prevention and emergency response*** – procedures for the prevention of and response to accidental pollution (notification, containment/isolation, collection and remediation), training of staff and contractors, and investigation of incidents to prevent recurrence.

Through this approach, Transelectrica aims to reduce its environmental footprint and improve its environmental performance, in line with European guidelines on pollution prevention and control (“Towards Zero Pollution for Air, Water and Soil”), through modernisation, operational control and the strengthening of environmental governance.

Actions and resources relating to pollution (E2-2)

Transelectrica is implementing an Integrated Management System that includes strict requirements regarding quality, environmental protection, and occupational health and safety. To this end, the Company ensures that it maintains certification in accordance with the international standards SR EN ISO 9001:2015 for quality management, SR EN ISO 14001:2015 for environmental management, and SR EN ISO 45001:2023 for occupational health and safety. Compliance with these requirements ensures a sustainable operating environment, reducing the environmental impact of our activities and ensuring optimal working conditions for our employees.

Key actions and resources (MDR-A). In 2025, measures to prevent and control pollution focused on:

- maintaining compliance through environmental permits and water management;
- monitoring of environmental factors and control of potential sources of pollution at stations/LEA and on construction sites;
- waste management (including hazardous waste) through traceability and authorised operators;

- incident prevention (retention/containment, oil-water separators, response procedures). The resources included operational expenditure and investments in environmental protection and training/audit activities.

Planned actions. The company continues to implement the measures set out in the Environmental Management Programme and in its maintenance and investment programmes, including the expansion and modernisation of spill prevention equipment, improved monitoring, and the strengthening of environmental requirements for contractors, in line with the specific characteristics of each site and project.

The activities and tasks included in the Environmental Management and Protection Programme				
Measurements and monitoring	Measures to reduce air pollution	Waste management and soil protection	Reducing the impact on water bodies	Monitoring the impact on biodiversity
Monitoring of electromagnetic fields		Implementation of waste collection and recycling systems (metal, plastic, paper, end-of-life electrical equipment)	Installation of oil-water separators on equipment containing insulating oils	Clearing and maintenance work on power line safety corridors must only be carried out outside the growing season and after the end of the bird nesting season
Assessment of noise levels generated by electrical substations and high-voltage power lines	Reducing SF6 emissions through preventive maintenance and replacing old equipment with new technologies	Disposal of hazardous substances in accordance with environmental regulations	Preventing accidental spills of oils and chemicals through preventive maintenance measures	Installing devices on the protective conductors of overhead power lines with features that make them visible to birds in order to prevent collisions
Monitoring of soil and wastewater quality	The use of low-emission vehicles (Euro 5 and Euro 6)	Temporary storage of used equipment on specially designed concrete platforms	The construction or maintenance of sewerage networks for domestic wastewater and/or stormwater	Installation of bird deterrent devices to prevent the risk of electrocution
Monitoring of environmental components in protected areas crossed by power lines		Restoration/reclamation of the site to its original condition (following completion of the works)		

Classification of actions within the pollution mitigation hierarchy (AR 13). The actions under the Environmental Management Programme can be categorised as follows:

- **avoid (prevention at source)** – authorisations, design/site organisation requirements, control of the handling/storage of substances, elimination of non-compliant practices;
- **reduce (minimisation)** – oil-water separators, preventive maintenance to limit leaks, monitoring and measurements, waste management and the use of low-emission equipment/vehicles;

- **remediation/restoration** – the restoration or rehabilitation of land following works and remedial measures in the event of an incident, to minimise the impact on soil and water.

Actions within the value chain. In areas where pollution impacts or risks are caused or exacerbated by activities carried out by third parties, Transelectrica implements control measures throughout the value chain, in particular by:

- environmental requirements included in procurement documents and contracts (compliance obligations, waste management, incident prevention, handling of substances);
- the use of authorised operators for the collection, transport, recovery and disposal of waste, and ensuring documentary traceability;
- on-site inspections, where appropriate, to ensure compliance with environmental requirements at the construction site.

Allocated resources. To manage pollution effectively, Transelectrica allocates significant resources to environmental protection infrastructure and activities, installing oil-water separators and septic tanks at its substations, alongside gas filtration systems and pollution monitoring stations. These measures help to reduce the environmental impact and ensure compliance with regulations on the protection of natural resources.

In 2025, total expenditure on environmental protection, included in operating, maintenance and investment costs, amounted to 9,156,087 RON (approximately 1,795,839 euros), distributed across the Regional Transport and Executive Branches.

Total expenditure on environmental management and protection for 2025 has been estimated at 11,480,470 thousand RON excluding VAT, allocated to the Regional Transport Branches and the Executive.

The identified objectives regarding environmental management	
Compliance with environmental and water management legislation	Reducing the environmental impact
Reducing the impact on soil and groundwater	Environmental prevention of hazardous natural phenomena
Prevention of and protection against forest fires	Compliance with legal requirements regarding the transport of hazardous and non-hazardous waste within Romania
Conservation of biodiversity and habitats	Protection of natural resources and conservation of biodiversity
Waste management	Compliance with the requirements of SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2023
Reducing the impact on air quality and the climate	Prevention and reduction of pollution of surface water, groundwater and soil
Preventing pollution of surface water and groundwater through wastewater treatment	Prevention and reduction of air pollution

Landscape restoration	Calculation of emissions and payment of AFM charges for emissions from stationary sources
Improving waste management	

The facilities managed by the Company (transformer and connection substations, overhead power lines, offices, etc., whether authorised or in the process of being authorised or re-authorised) operate in accordance with legal requirements regarding environmental protection, with a 100% authorisation rate (8 environmental permits).

The company is constantly investing in upgrading its infrastructure, with the aim of reducing energy losses and using low-emission equipment, thereby reducing the environmental footprint of its operations. Solutions are also being developed for the recycling and recovery of waste, integrating the principles of the circular economy into its operational processes. To this end, Transelectrica carries out environmental protection works included in both its Maintenance Programme and its Investment Programme, thereby ensuring that the environmental performance of its infrastructure is maintained and improved.

To ensure compliance and continuous improvement, Transelectrica maintains its SR EN ISO 14001:2015 certification for environmental management. The company undergoes regular external audits to assess its compliance with national and European regulations and its adherence to the requirements of the standard. At the same time, the Company carries out studies and research aimed at environmental protection, which are incorporated into the approved Study and Research Plan, with the aim of identifying the most effective technological solutions for reducing environmental impact.

Through this combination of actions and resources, Transelectrica aims to manage the material risks identified in the double materiality analysis relating to pollution, maintain compliance and reduce its pollution footprint in its own operations and, where relevant, throughout the value chain.

Pollution-related targets (E2-3)

Following the double materiality analysis, soil pollution is identified as the material issue for Transelectrica under ESRS E2. Consequently, the targets set out below focus primarily on the prevention and control of soil pollution (requirement 23(c)), particularly in the context of the operation and maintenance of RET infrastructure and modernisation works, where potential risks of accidental oil/fuel spills and improper management of substances/waste may arise.

During the reporting period, Transelectrica had not yet set aggregate quantitative targets of the “kg of pollutant per year” type for pollution; however, it monitors the effectiveness of its policies and actions through operational and compliance targets (MDR-T), which are tracked via the Integrated Management System, the conditions set out in the relevant permits, internal checks and external audits.

Targets for soil pollution	Target description	Mandatory / Voluntary
Prevention of soil pollution incidents	Maintaining the target “0 major soil contamination incidents” and systematically investigating any	Voluntary, backed by legal obligations

	events or incidents with the potential to cause pollution, in order to prevent recurrence (applicable to stations, works and field operations).	
Monitoring of leaks and potential sources	Maintaining and, where appropriate, expanding on-site containment measures (platforms, retention basins/tanks, controlled storage areas) and preventive maintenance checks for oil-containing equipment and machinery, in order to reduce the likelihood of accidental spills.	Mandatory, voluntary by extension
Traceability of waste relevant to soil	100% <i>traceability</i> and handover to authorised operators for the waste generated (including hazardous waste), as well as controlled temporary storage to prevent soil contamination.	Mandatory
Compliance with the conditions set out in the site/works permits	Ensuring compliance with the conditions set out in environmental permits and the requirements applicable to the works, with regard to the prevention of soil pollution (monitored through inspections and audits).	Mandatory

Although air pollution and water emissions were assessed as immaterial according to the double materiality analysis (DMA), they are still managed through compliance requirements and internal procedures; in practice, the Company monitors these factors where applicable and/or required by permits, including through periodic measurements and operational checks (e.g. monitoring of environmental parameters and the operation of relevant systems), to prevent non-compliance and limit potential impacts. Furthermore, substances of concern are not classified as hazardous under the DMA, but are managed in accordance with the applicable legal framework governing their handling, storage, labelling and traceability, with a view to preventing any adverse effects on the environment.

Air, water and soil pollution (E2-4)

In accordance with the applicable legal requirements and the Integrated Management System, Transelectrica assesses and manages potential impacts on air, water and soil, taking into account the specific nature of its electricity transmission and dispatch activities.

According to the double materiality analysis, soil pollution is a material issue under ESRS E2 for the Company, being primarily associated with the risk of accidental spills (insulating oil, fuels and other substances used in operations/maintenance) and modernisation/field works. Air pollution and emissions to water are assessed as **immaterial** under the DMA, but are managed through compliance and monitoring where applicable.

E-PRTR pollutants (Reg. (EC) No 166/2006). Given that Transelectrica's activities do not involve industrial processes covered by Regulation (EC) No 166/2006, the Company does not report aggregate figures for E-PRTR pollutants emitted into the air, water or soil.

The Company's operations may give rise to fugitive emissions in the context of construction works (airborne dust) and combustion emissions associated with vehicles, generators and heating systems, as well as accidental emissions associated with handling/use. The Company has

contracts with specialist firms for the continuous monitoring of air and water, in accordance with national legal provisions.

Emissions of sulphur hexafluoride (SF6) do not exceed the annual limit permitted by law.

In 2025, no major pollution incidents were recorded.

The company does not report aggregate figures for E-PRTR pollutants released into the air, water or soil at the facility level for the year 2025.

Microplastics. In 2025, Transelectrica did not identify the generation or use of microplastics as a material stream within its own operations; consequently, no quantities are reported for this indicator.

Context: historical development, methodologies and data collection

Changes over time. With regard to the physical aspect (soil), the Company aims to prevent incidents internally and control potential sources of contamination (oily equipment, machinery, temporary storage areas), as well as to implement the associated technical and operational measures. In 2025, no major incidents of soil pollution were recorded.

Measurement methodologies. With regard to soil pollution, the approach is primarily preventative and focused on operational control, based on inspections/checks, preventative maintenance, containment measures, controlled waste management and procedures for responding to accidental spills. Laboratory analyses (soil/wastewater) are carried out where applicable and/or required by permits or in response to specific circumstances.

For air and water (non-physical parameters under the Water Framework Directive), monitoring is carried out primarily for compliance purposes, through periodic measurements and operational checks, where applicable and/or required by permits (e.g. monitoring the operation of relevant systems and certain environmental parameters).

Data collection and reporting. Transelectrica is implementing a systematic process to monitor potential sources of pollution at site level, in accordance with the conditions set out in its environmental and water management permits. Monitoring is documented through measurement reports, environmental assessment forms and branch-level monitoring reports; based on the results, action plans are drawn up, specifying deadlines and responsible parties. The company submits regularly/annually to the competent authorities (the Environmental Protection Agency, the National Environmental Guard, the National Administration of Romanian Waters) relevant data on compliance and monitoring, in line with legal requirements and the findings of inspections, as applicable.

Note on methodologies (direct measurement vs estimates). Where direct measurements are not available (e.g. certain diffuse emissions associated with temporary construction site or transport activities), the Company uses operational assessments and compliance requirements for control and prevention; at this stage, no aggregated quantitative estimates at ESRS level are reported for E-PRTR pollutants.

Contextual information (DMA): air and water (intangible, but managed). Although air pollution and water emissions are assessed as immaterial under the DMA, they are managed through compliance requirements and internal procedures, and the Company monitors the relevant factors

where applicable and/or required by permits, in order to prevent non-compliance and limit potential impacts.

The anticipated financial effects of the risks and opportunities associated with pollution (E2-6)

In the 2025 reporting year, the Transelectrica Group is applying the phased-in approach for requirement E2-6, in accordance with ESRS 1, Appendix C, as amended by Delegated Regulation (EU) 2025/1416. Consequently, the Group can, at this stage, primarily present qualitative information regarding the anticipated financial effects of the impacts, risks and opportunities related to pollution, as the methodology and data required for robust quantification (e.g. monetary valuations of site-specific exposures, incident scenarios, probability/impact estimates and asset-level reconciliation) are currently being finalised.

Risks associated with pollution – anticipated financial effects (qualitative). According to the double materiality analysis, for the Transelectrica Group, pollution (with a focus on soil pollution) may have financial implications in the short, medium, and long term:

- **in the short term**, these may arise through ongoing prevention and compliance costs, such as permitting, monitoring, maintenance of leak prevention equipment, waste management, and audits, as well as remediation costs in the event of accidental pollution incidents;
- **in the short to medium term**, non-compliance risks may materialise, including fines or penalties, project delays, and additional costs generated by the implementation of measures required by the authorities;
- **in the medium and long term**, financial effects may arise from the need to invest in technologies and equipment with a lower environmental impact, aimed at reducing the likelihood of incidents and the associated costs.

At this stage, Transelectrica does not quantify the “anticipated financial effects” in monetary terms (e.g. asset/revenue exposures, impact ranges), as such quantification would not yet consistently meet the qualitative characteristics of useful information (comparability and verifiability) and will be developed in stages in future reports.

Operating and capital expenditure relating to major incidents and storage facilities. In accordance with the exemption set out in ESRS 1 (Appendix C), the Company presents separately information on operating and capital expenditure incurred during the reporting period in connection with major incidents and deposits, where applicable.

- *Major pollution incidents (2025):* During the reporting period, no major pollution incidents were recorded; consequently, the operating/capital expenditure associated with major incidents amounts to 0 RON for 2025.
- *Landfills (landfills/facilities relevant to pollution, where applicable):* in 2025, no operating or capital expenditure associated with “landfills” as defined by the data point (e.g. waste landfills operated by the Group) was identified.

Expenditure on pollution prevention and control. Although this does not quantify the “anticipated effects”, Transelectrica highlights the resources used for pollution prevention and

control: environmental protection expenditure (included in operating, maintenance and investment costs) in 2025 of 9,156,087 RON ($\approx$ 1,795,839 euros).

3. Biodiversity and ecosystems (E4 1–6)

Significant impacts, risks and opportunities, and their interaction with the strategy and business model (SBM–3)

Transelectrica's activities, in its capacity as a transmission system operator, involve an extensive infrastructure (overhead lines, substations and associated works) and direct interaction with the land and habitats through which they pass. In line with the results of the double materiality analysis and the IROs identified for ESRS E4, the Company acknowledges the existence of significant potential impacts and risks on biodiversity and ecosystems, associated primarily with:

- habitat fragmentation resulting from land use and vegetation management within safety corridors (clearing/selective removal);
- the interaction between infrastructure and birdlife, including the risk of collision and electrocution in migration routes;
- the impacts associated with the works (e.g. waste generation and management, and the risk of accidental pollution), particularly in areas that are sensitive in terms of biodiversity.

The interaction between these IROs and the business strategy/model is reflected, during the reporting period, through the integration of biodiversity requirements into the planning and execution of works and into the operation of the RET: the use of regulatory documents and permits as a management tool, the implementation of measures required by the competent authorities depending on the site, and the application of measures to avoid or reduce impact (e.g. scheduling works outside sensitive nesting periods, using devices to increase the visibility of power lines and reduce the risk of collision/electrocution, and restoring sites after works). These opportunities are linked to modernisation and the adoption of technical and operational solutions that reduce the impact on ecosystems and the risks of non-compliance or delays, with long-term economic benefits.

Significant sites, activities with a negative impact and sensitive areas. Based on the identified IROs (habitat fragmentation, waste/non-biodegradable materials, risks of accidental pollution, bird collisions/electrocution), the sites of significance for biodiversity within our own operations are mainly associated with:

- *LEA corridors* that cross or are in the vicinity of areas sensitive to biodiversity and/or migration routes (for example, areas mentioned in the report: Banat, Dobrogea, the Danube Delta);
- *electrical substations* and associated platforms located in the vicinity of natural habitats/protected areas;
- *temporary construction sites* and fieldwork areas associated with modernisation and maintenance works in the vicinity of sensitive areas.

Activities with a negative impact on sensitive areas – vegetation management in safety corridors (clearing/removal), maintenance works and field interventions, modernisation/construction and site organisation (including waste generation/management), as well as infrastructure operation in migration areas (risk to birdlife).

Breakdown by impacts/dependencies and ecological status:

- *identified impacts (in line with the IRO)* – habitat fragmentation; temporary disturbances caused by works; risks to birdlife (collision/electrocution); impacts associated with waste and accidental pollution in the context of the works;
- *dependencies* – soil stability and the integrity of ecosystems, which may influence the risks of erosion and landslides, as well as access for intervention;
- *ecological status/baseline* – assessed at project/works level, through specific studies and opinions (where applicable), depending on the type of habitat and protection regime (protected natural areas/Natura 2000 sites).

Sensitive areas and competent authorities – sensitive areas include protected natural areas and/or Natura 2000 sites that are crossed by or affected by projects or works. The relevant competent authorities are, as appropriate, the environmental protection authorities (the Environmental Protection Agency, the National Agency for Environmental Protection), the authority responsible for protected natural areas (the National Agency for Protected Natural Areas) and the administrators/caretakers of protected areas (for example, the Danube Delta Biosphere Reserve Administration for the Delta area).

Note on data maturity (2025): The lists of power line corridors and substations can be found in the 2024–2033 RET Development Plan. For the 2025 reporting year, the Company has not yet consolidated the comprehensive list of sites, complete with standardised identifiers and breakdowns by environmental status for each site, into a centralised portfolio-level inventory; this consolidation is planned to be carried out in phases, given the large number of sites.

Description of the processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)

Transelectrica follows a structured process to identify and assess the impacts, risks, dependencies and opportunities relating to biodiversity and ecosystems, with the aim of minimising the negative effects of the operation and development of the electricity transmission network and integrating environmental requirements into project planning and implementation. The process is integrated into the double materiality analysis and risk management and is based on project-related environmental documentation (impact studies, appropriate assessments, permits/authorisations), monitoring activities, and operational measures implemented during operation and maintenance.

Identifying and assessing actual and potential impacts (own operations and the value chain). Transelectrica identifies and assesses actual and potential impacts on biodiversity, prioritising its own operations (power lines, substations, maintenance and modernisation works) and, where relevant and feasible, the value chain (contractors carrying out works, equipment/service suppliers, waste operators). The assessment includes: mapping of protected areas/sensitive areas (where required by the projects), identification of habitats and vulnerable

species (particularly birdlife), and analysis of potential impacts such as habitat fragmentation, temporary disturbance at the construction site, and the risks of collision and electrocution.

As of the reporting date, the process of mapping protected areas and sensitive areas relevant to the Group's activities is in the process of being finalized, and the consolidated information regarding their location, as well as the relevant habitats and vulnerable species, will be progressively integrated into the assessment and reporting process, in accordance with the applicable requirements of ESRS E4, including AR7–AR8.

Identifying and assessing dependencies on biodiversity and ecosystem services.

Transelectrica assesses dependencies on ecosystems insofar as these may affect the safety and continuity of the RET's operation. Relevant dependencies include, for example: the stability of land and vegetation (which may affect the risks of erosion and landslides, as well as access for emergency response), the regulatory functions of ecosystems (e.g. soil stabilisation, natural drainage) and environmental conditions that may exacerbate operational vulnerabilities in sensitive areas. At this stage, the assessment of dependencies is primarily qualitative and is carried out as part of the environmental documentation for projects and in the operational risk analysis; the development of a more systematic assessment of ecosystem services (including those that have been or are likely to be disrupted) is being addressed in phases.

The impact on vegetation is determined by the permanent or temporary occupation of land and the removal of vegetation exceeding a certain height from the safety zones around RET installations, in order to prevent fires. This impact may only be significant in protected areas.

Identifying and assessing physical and transition risks, as well as opportunities (based on impacts and dependencies). With regard to the assessment of risks associated with biodiversity and ecosystems, Transelectrica implements a risk management system that enables the anticipation and management of potential adverse effects.

During the design phase, the preventive and corrective measures for a facility are determined on the basis of environmental impact assessments, appropriate evaluations and the environmental management plan, thereby ensuring an integrated approach to the protection of biodiversity and ecosystems. These measures are essential for minimising the fragmentation of natural habitats, reducing the risks of soil and water pollution, and protecting vulnerable species in areas affected by infrastructure. Applying these principles during construction enables the environmental impact to be managed from the very start of the project, helping to maintain ecological balance and ensure compliance with nature conservation regulations.

Based on the identified impacts and dependencies, Transelectrica assesses:

- *physical risks associated with biodiversity* (e.g. land instability/erosion in the vicinity of infrastructure, events affecting vegetation that may increase the need for intervention);
- *transition risks*, linked to changes in regulatory requirements and rising expectations regarding biodiversity protection (e.g. stricter requirements for works in protected areas, additional conditions, potential delays/compliance costs);
- *opportunities*, through infrastructure modernisation and the implementation of technical solutions that reduce the impact on biodiversity (e.g. bird protection devices, scheduling works during optimal periods, low-impact technologies/solutions), thereby reducing the risks of non-compliance and the costs associated with incidents/delays.

Systemic risks. At this stage, Transelectrica recognises, in qualitative terms, that biodiversity loss and ecosystem degradation can have systemic effects (for example, increased vulnerability to extreme events, deterioration of soil stabilisation functions, and increased regulatory pressures and land-use restrictions). A dedicated quantitative analysis of systemic risks related to biodiversity was not carried out during the reporting period and is to be developed in stages.

By implementing this comprehensive process of identifying, assessing and integrating IROs, Transelectrica is reinforcing its commitment to environmental protection and ensuring the sustainable development of its infrastructure, thereby helping to maintain ecological balance and adhere to industry best practices.

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS E4	Biodiversity and ecosystems	Factors determining the direct impact on biodiversity loss	Land use change, freshwater use change and marine use change	impact	Fragmentation of natural habitats – the construction and maintenance of overhead power lines (OPLs) and substations require deforestation and land alterations, which can affect the continuity of habitats for various species of animals and plants
				impact	Impact on biodiversity – the generation of hazardous waste or materials that are slow to degrade can affect natural habitats, particularly in areas where construction and maintenance work is taking place
			Pollution	impact	Noise and electromagnetic pollution – the generation of noise and electromagnetic fields from high-voltage power lines may affect wildlife behaviour and the quality of natural habitats.
			Population size of the species	impact	Bird collisions and electrocution – Power lines pose a danger to migratory birds and other species that use flight paths, as there is a risk of collisions or electrocution

Consultations with affected communities and the avoidance of impacts on ecosystem services

Relevant consultations are primarily incorporated through the approval and authorisation processes (including, where appropriate, public information and consultation) and through interaction with the competent authorities and the managers of protected areas. During the reporting period, no separate consultations were conducted that were dedicated exclusively to biodiversity assessments, apart from the regulatory processes associated with the projects/works. However, the Company has gathered feedback from stakeholders through general consultation mechanisms on material ESG issues (questionnaire available online on the Transelectrica website under the Home section – All news – https://web.transelectrica.ro/noutati/lista_noutati.html), which also included issues relevant to biodiversity and ecosystems.

Where there is a likelihood of adverse impacts on sensitive areas or affected communities (for example, through temporary access restrictions, fieldwork, or disruption to local ecosystem services), the Company implements avoidance or mitigation measures as set out in regulatory documents and environmental management plans (e.g. scheduling works outside sensitive periods, site restoration, measures for birdlife). If impacts cannot be completely avoided, the

Company aims to minimise them and implement mitigation measures to maintain the functionality of priority ecosystem services, in accordance with the conditions set out.

Sites in sensitive areas and mitigation measures. Transelectrica operates an extensive infrastructure (overhead power lines and substations) covering the whole of Romania; Consequently, there are network sites located within or in the vicinity of areas that are sensitive from a biodiversity perspective (e.g. protected natural areas and/or Natura 2000 sites), including areas that may coincide with natural habitats and bird migration routes. Activities associated with these sites (operation, maintenance, vegetation management in safety corridors and modernisation works) may give rise to potential impacts such as habitat fragmentation, temporary disturbance to species and risks to birdlife (collision/electrocution), which are of greater relevance in protected areas and during sensitive periods (nesting/migration). During the reporting period, the Company manages these potential impacts through the conditions set out in regulatory documents and through operational measures tailored to each site or project.

As of the reporting date, the process of inventorying, mapping, and consolidating the list of locations where Transelectrica's infrastructure interacts with or is situated near biodiversity-sensitive areas is in the process of being finalized. This phased approach is driven by the extensive scale of the RET, the territorial distribution of the infrastructure, and the need to correlate the information available from regulatory documentation, site analyses, and relevant sources concerning protected natural areas and Natura 2000 sites. As this process is finalized, the Company will integrate into its reporting the consolidated information regarding the relevant sites, in accordance with the applicable requirements of ESRS E4.

The need to implement mitigation measures. In the case of projects/works and, where applicable, activities carried out in sensitive areas, Transelectrica assesses the need for measures to mitigate the impact on biodiversity within the framework of the applicable regulatory processes, including through an environmental impact assessment (EIA) and/or an appropriate assessment for Natura 2000 sites, in accordance with the relevant legislation. Avoidance, mitigation and/or compensation measures are established and implemented where required by regulatory acts and the conditions imposed by the competent authorities, in line with the conservation objectives set out in the Birds Directive (2009/147/EC) and the Habitats Directive (92/43/EEC). Examples of such measures include scheduling works outside sensitive periods, minimising disruption on site, restoring sites after works have been completed, and implementing technical measures to reduce the risk to birdlife (e.g. visibility/anti-collision devices), depending on the specific characteristics of the site and the protected area.

The transition plan and the integration of biodiversity and ecosystems into the strategy and business model (E4-1)

The resilience of the strategy and business model. Transelectrica incorporates sustainability principles and measures to protect biodiversity and ecosystems into its strategy and business model, particularly in the design, operation and maintenance of the electricity transmission network infrastructure. During the reporting period, the Company does not have a formal, quantified analysis of its resilience to biodiversity-related risks (such as scenarios or monetary indicators), but it carries out a qualitative assessment based on operational experience, regulatory

requirements and the conditions set out in the environmental regulations applicable to projects and works.

Assessment of resilience to physical, transition and systemic risks. Transelectrica's business model (as a transmission and system operator) depends on the availability of land and the operation of infrastructure along extensive corridors, including in the vicinity of sensitive areas. The relevant risks are:

- *physical* (e.g. land instability/erosion, phenomena affecting vegetation and access for intervention);
- *transitional* (tightening of regulatory requirements for works in protected areas/Natura 2000 sites, additional conditions, potential delays and compliance costs);
- *systemic* (ecosystem degradation that exacerbates vulnerabilities and land-use restrictions).

Resilience is supported by incorporating environmental requirements into project design and operations, and by measures to avoid or reduce impacts (e.g. bird protection devices, scheduling works outside sensitive periods, site restoration, waste management).

The scope of the resilience analysis. The qualitative assessment focuses primarily on the organisation's own operations (LEA, stations, maintenance and modernisation works). Relevant aspects of the value chain are addressed in particular in relation to contractors carrying out works and authorised waste operators, through compliance requirements and on-site control measures.

Main assumptions. The assessment is based on the assumption that: (i) the network will continue to operate and expand against a backdrop of stricter environmental requirements, (ii) part of the infrastructure will cross or be located in the vicinity of sensitive areas, (iii) the main pressures will relate to vegetation management, ground works and risks to birdlife, and (iv) compliance through permits/authorisations and the implementation of mitigation measures remain the primary mechanisms for maintaining resilience.

Time horizons used. Transelectrica uses time horizons aligned with its operational and investment planning: short-term (1–3 years), medium-term (4–10 years) and long-term (>10 years), taking into account the lifespan of assets and infrastructure modernisation cycles.

Results of the resilience assessment (qualitative). The results of the assessment indicate that the strategy and business model are resilient insofar as: (i) biodiversity requirements are integrated from the design stage onwards (EIA/appropriate assessment), (ii) operational measures are implemented to mitigate impacts (e.g. restricting works during sensitive periods, measures for birdlife, site restoration), and (iii) mechanisms for control and continuous improvement are in place (procedures, audit, monitoring). The main vulnerabilities relate to projects/works in sensitive areas and can lead to delays and additional costs if mitigation measures are not planned in advance.

Stakeholder involvement. Stakeholder engagement takes place primarily through regulatory and approval processes (including, where appropriate, public consultation) and through interaction with the competent authorities and the managers of protected areas. During the reporting period, the Company did not conduct any separate dedicated consultations; where relevant, the conditions and recommendations arising from the applicable procedures are incorporated into the work plans and mitigation measures.

Policies relating to biodiversity and ecosystems (E4-2)

The protection of biodiversity and the conservation of ecosystems are integrated into Transelectrica's policies, given the interaction between the RET infrastructure and the land and habitats it crosses, as well as the IROs identified in the double materiality analysis (e.g. habitat fragmentation through vegetation management and ground works, risks to birdlife from collision/electrocution, impacts associated with waste and risks of accidental pollution in the context of works). The relevant policies are implemented through the Integrated Management System and through operational and investment requirements derived from the planning of the development and modernisation of the RET.

Transelectrica does not, as of the reporting date, have a separate document entitled "Biodiversity Policy." However, the relevant requirements regarding biodiversity protection for operational sites owned, leased, or managed by the Company, located within or near biodiversity-sensitive areas, are covered through the Policy Statement on Quality, Environmental, Health and Safety Management, which includes commitments to environmental protection, the prevention and reduction of impacts on ecosystems, and compliance with national and European regulations. The statement on risk management policy also applies to biodiversity issues, as it covers the identification and management of operational and environmental risks relevant to habitats and species, including in the context of maintenance and modernisation works.

As part of its infrastructure development and modernisation policies (in accordance with the RET Development Plan 2024–2033), as well as its policies on energy efficiency and network digitalisation (smart grid), the Company aims to reduce its environmental footprint and integrate avoidance and mitigation measures, such as: optimising technical solutions and routes where possible, scheduling works outside periods sensitive to wildlife, implementing technical measures to reduce the risk to birdlife, and the controlled management of waste resulting from works.

Transelectrica has not, as of the reporting date, adopted a separate "anti-deforestation" policy; however, vegetation management activities and, where applicable, tree clearing within safety corridors are carried out in a controlled manner as part of major maintenance works, through specialized companies, within the limits necessary for the safe operation of the infrastructure and in compliance with legal requirements, the conditions set out in applicable permits and authorizations, the technical documentation of the works, and the environmental protection measures imposed for each site or project.

The Integrated Management System (SR EN ISO 9001:2015, SR EN ISO 14001:2015, SR EN ISO 45001:2023) supports the implementation of these policies through procedures, roles and responsibilities, training, audits and continuous improvement.

Specific elements relating to biodiversity and ecosystems

In addition to ESRS 2 MDR-P, Transelectrica states that its policies:

- aim, in particular, to avoid and mitigate the main pressures on biodiversity relevant to energy transmission activities (land use and habitat fragmentation, interaction with birdlife, and the effects of field works), as well as to integrate conservation requirements arising from regulatory acts (environmental impact assessment/appropriate assessment), where applicable;

- are implemented to manage the impacts identified as relevant in the DMA, including habitat fragmentation in safety corridors, collision/electrocution risks for birds, and impacts associated with construction works (waste, accidental pollution);
- take into account dependencies on ecosystem functionality (land stability, natural conditions that influence operational vulnerabilities) and address physical and transition risks (stricter regulatory requirements for works in sensitive areas, additional conditions, potential delays/costs), as well as opportunities to mitigate risks through modernisation and low-impact technical solutions;
- support traceability throughout the value chain; at this stage, traceability relevant to biodiversity is primarily ensured through procedural/contractual requirements for work carried out by third parties (contractors) and for waste streams (authorised operators), including through compliance documentation, records and on-site checks, where applicable; The Company aims to progressively strengthen traceability requirements for components and services with a potential material impact on biodiversity, depending on relevance and feasibility;
- require compliance with conservation conditions, the monitoring required by regulatory acts and the implementation of avoidance/mitigation measures, in areas where infrastructure intersects with protected areas, although Transelectrica does not manage 'production' ecosystems (such as forestry or agriculture) with a view to maintaining or improving biodiversity; at this stage, the Company does not report aggregate biodiversity gains/losses at corporate level; these are addressed at project/permit level where applicable;
- address the social consequences of the impacts; policies take into account the social consequences of the impacts on biodiversity through compliance requirements, measures to minimise disruption during works, and the management of stakeholder relations within regulatory processes (including public consultation where appropriate), taking into account potential effects on local communities (e.g. temporary access restrictions, disruption during works, land use).

Actions and resources relating to biodiversity and ecosystems (E4-3)

Transelectrica manages its activities and projects in a responsible manner, so as to minimise the impact on habitats and protected species in natural areas. To this end, the Company takes proactive measures right from the early stages of projects. In cases where the impact on biodiversity cannot be completely eliminated, mitigation measures are implemented to reduce the effects on ecosystems. In addition, land affected by infrastructure works is subject to ecological restoration processes, thereby ensuring that the natural balance is restored and the integrity of the environment is maintained.

In order to maintain the favourable conservation status of species and habitats of Community interest, Transelectrica has taken the following measures when carrying out maintenance and repair work:

- the installation of devices on the protective conductors of overhead power lines with features that make them visible to birds in order to prevent collisions;
- the installation of bird deterrents to prevent the risk of electrocution;

- carrying out tree felling and maintenance work on power line safety corridors only outside the growing season and after the end of the birds' nesting season;
- prohibiting Company staff and contractors from any form of harvesting, capturing, killing, destroying or harming specimens in their natural habitat, at any stage of their life cycle; the deliberate damage, destruction and/or removal of nests and/or eggs from the wild; the damage or destruction of breeding or resting sites;
- controlled disposal of waste so as not to endanger wildlife.

To deter birds from the overhead power line area, bird deterrent devices have been fitted to the pylons, above the insulator strings, to prevent birds from perching on the pylons (this protects both the birds from electrocution and the insulators from potential damage), and in the migration corridors, 'deflectors' (devices that prevent birds from perching on the power line conductors) or coloured panels, which usually mimic the appearance of birds of prey, have been installed on the power line conductors to reduce bird strikes on the power lines.

To help conserve the endangered Danube falcon, artificial nesting boxes have been installed on high-voltage pylons as follows:

- at STT Timișoara: 34 nests;
- at STT Bucharest: 19 nests;
- at STT Constanța: 31 nests.

Artificial nests are, in fact, metal or wooden boxes that have been placed on high-voltage pylons, as the Saker Falcon prefers nests that offer a good view of its territory and favourable feeding grounds nearby. It is necessary to place the nests on artificial structures, such as high-voltage pylons, as there are no longer any tall, solitary trees on farmland and pastures (their traditional nesting sites).

The installation of artificial nests forms part of the project 'Conservation of the Saker Falcon in north-eastern Bulgaria, Hungary, Romania and Slovakia', a multinational project funded by the EU, with the importance of protecting and conserving the species recognised at EU level.

Each Regional Transport Branch has an environmental inspector who is responsible for monitoring compliance with the conditions set out in the environmental permit and for the ongoing monitoring of the requirements of the SR ISO EN 14001:2015 Environmental Management System standard.

At company level, PO TEL 29.04 is used when implementing new projects or studies – Development of environmental management programmes and PO TEL 29.03 – Establishment, implementation and maintenance of quality, environmental and occupational health and safety objectives, procedures comprising actions, responsible parties and deadlines designed to ensure the achievement of environmental objectives and targets.

Application of the hierarchy of mitigation measures. The actions are aligned with the mitigation hierarchy as follows:

- mitigation: scheduling works outside sensitive periods; avoiding practices that have a direct impact on wildlife (explicit prohibitions for staff/contractors);

- minimisation: anti-collision/anti-electrocution devices; management of waste and site activities;
- restoration/rehabilitation: restoring sites/land following works, where appropriate (returning the area to its original condition and stabilising it);
- compensation/coverage.

Compensatory measures for biodiversity loss. During the reporting period, Transelectrica did not use biodiversity offsets as the primary tool in its action plans. The measures implemented are primarily aimed at prevention, minimisation and restoration, and where conservation measures are implemented (for example, artificial nesting boxes for the Saker Falcon), these are treated as mitigation measures and conservation support, in line with the applicable project conditions/requirements.

Local traditional knowledge and nature-based solutions. During the reporting period, Transelectrica did not formally incorporate local traditional knowledge as a distinct element in the planning of its activities. Nature-based solutions are implemented, where appropriate, through post-construction land restoration/rehabilitation measures and vegetation management in safety corridors, in accordance with regulatory requirements and environmental standards.

Biodiversity and ecosystem targets (E4-4)

During the 2025 reporting period, Transelectrica has not yet set quantitative targets (with numerical indicators and a trajectory) for biodiversity and ecosystems, due to operational complexity and the need to consolidate data at portfolio level (sites/sensitive areas/impact indicators). However, the Company monitors the effectiveness of its policies and actions through a set of operational and compliance targets (MDR-T), tracked via regulatory processes (appropriate assessment), the conditions set out in permits/authorisations and operational checks, with a focus on identified impacts and risks (habitat fragmentation, risks to birdlife, impacts associated with works – waste/accidental pollution).

Conformity/process targets (MDR-T)			
Incorporating biodiversity requirements into projects/works	Reducing the risk to birdlife	Restoration of sites following works	Monitoring the impacts associated with the works
Ensuring that biodiversity requirements and avoidance/mitigation measures are included in the documentation and work plans for projects/works that cross or are in the vicinity of sensitive areas (including conditions resulting from the EIA and/or the	Maintaining and, where relevant, extending the application of technical and operational measures to reduce the risk of collision or electrocution (e.g. visibility and anti-collision devices, bird-deterrent equipment, time restrictions on works during sensitive periods).	Ensuring the restoration/rehabilitation of sites temporarily affected by works (restoring them to their original condition, stabilising the ground), in accordance with the requirements set out in the relevant regulations and environmental management plans.	Implementation of waste management and accidental pollution prevention requirements in works carried out in-house or by contractors, with checks and documentary traceability, to limit indirect impacts on biodiversity.

appropriate Natura 2000 assessment).			

Environmental thresholds and impact allocations. During the reporting period, Transelectrica did not apply quantified environmental thresholds or any company-wide methodology for allocating ‘impact budgets’ to set targets. These elements will be assessed as a consolidated database and an internal methodology for quantifiable targets are developed.

Alignment with the Kunming-Montreal Framework / EU 2030 Strategy / national policies. The process targets aim to ensure compliance with applicable nature conservation requirements (including the Natura 2000 framework) and the integration of avoidance/mitigation measures into projects; At this stage, the Company does not declare quantified targets formally aligned with Kunming-Montreal or the EU 2030 Strategy, and will analyse this alignment when setting quantitative targets.

Link to impacts/dependencies/risks/opportunities. The process targets are directly linked to the IROs identified for E4 (habitat fragmentation, birdlife, impacts associated with works) and to operational dependencies (land stability and access for interventions), and are applied as a priority to the project’s own operations and, where relevant, to the value chain (contractors).

Geographical area. The targets apply to Transelectrica’s operations throughout Romania, with a focus on sites/projects located near areas of biodiversity significance (protected areas/Natura 2000 sites and identified migration routes).

Compensatory measures for biodiversity loss. During the reporting period, the Company did not use biodiversity offsets as a basis for setting targets; the approach focuses on avoidance, minimisation and restoration/rehabilitation, in accordance with regulatory requirements.

The level in the mitigation hierarchy. The targets are primarily allocated to the ‘avoidance’ and ‘minimisation’ categories (incorporating biodiversity requirements and measures for birdlife) and the ‘restoration/rehabilitation’ category (restoring sites following works). Offsetting/coverage is not used as the basis for the 2025 targets.

Impact indicators relating to biodiversity and ecosystem changes (E4-5)

In the 2025 reporting year, Transelectrica does not yet report aggregated quantitative indicators on impacts on biodiversity and ecosystem changes, as the necessary data (including the centralised inventory of sites within or near sensitive areas and area/fragmentation parameters) are primarily managed at project level and have not yet been consolidated into a unified ESRS reporting system at portfolio level.

Number and area of sites in sensitive areas. The company has identified that some infrastructure sites (power lines/substations) may be located within or in the vicinity of areas of biodiversity significance (protected areas/Natura 2000 sites). As of 2025, Transelectrica has not yet provided the number and area (ha) of these sites at a consolidated level, as the demarcation and aggregation of areas is being carried out in stages, based on environmental documentation and geospatial (GIS) data relating to the projects. The company intends to consolidate this information for future reporting purposes.

Indicators for land-use change and connectivity. In the current reports, the relevant impacts identified are mainly associated with land use and the interventions required for safety corridors, which may lead to local changes and habitat fragmentation. As of 2025, the Company does not yet report quantitative indicators for land cover conversion or structural/functional connectivity (including fragmentation), as there is not yet a consolidated internal methodology or a comparable dataset (e.g. covering 1–5 years) for the systematic measurement of these indicators at portfolio level. The indicators will be analysed and introduced in stages, with priority given to sites in sensitive areas, as the inventory of sites and relevant geospatial data are consolidated.

The anticipated financial impacts of risks and opportunities related to biodiversity and ecosystems (E4-6)

For the 2025 reporting year, Transelectrica is applying the phased introduction provided for in Delegated Regulation (EU) 2025/1416: information relating to ESRS E4-6 may be omitted in the first year, or alternatively, the requirement may be met by reporting only qualitative information for the first three years. Consequently, the Company provides below a qualitative assessment of the anticipated financial effects, as there is not yet a methodology or a consolidated dataset at portfolio level to enable robust quantification (such as monetary exposures by location, probabilities/scenarios, and reconciliation with the financial statements).

Risks – anticipated financial impact (qualitative). In line with the double materiality analysis and the IROs identified for E4 (e.g. habitat fragmentation, risks to birdlife, impacts associated with construction works/waste, and risks of accidental pollution affecting ecosystems), the main anticipated financial impact channels are:

- **compliance and authorisation costs:** additional requirements in sensitive areas (studies, assessments, conditions imposed, monitoring), including costs of implementing avoidance/mitigation measures (e.g. works planning, measures for birdlife, site restoration);
- **operational and investment costs:** implementation/maintenance of technical and operational solutions to mitigate impact (anti-collision/anti-electrocution devices, vegetation management, waste management);
- **project risks (time/cost):** potential delays in projects/works due to regulatory requirements, seasonal restrictions (nesting/migration) or additional measures imposed;
- **potential remediation costs and penalties:** in the event of incidents (e.g. accidental pollution during works), remediation costs and the risk of penalties/fines may arise, as well as reputational risks.

As of 2025, the Group does not quantify these effects in monetary terms, as such a quantification would not yet consistently meet the qualitative characteristics of useful information (comparability, verifiability, faithful representation).

4. Resource use and the circular economy (E5 1–6)

Description of the processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)

As part of its double materiality analysis and internal risk and environmental management processes (Integrated Management System, including SR EN ISO 14001:2015), the Transelectrica Group has assessed the significant impacts, risks and opportunities related to resource inputs, resource outputs and waste generated by the operation, maintenance, modernisation and decommissioning of the RET infrastructure. The process aims both to reduce resource consumption and maintain the value of materials throughout the entire life cycle of assets, as well as to prevent the negative effects associated with waste and material flows.

Review of assets and activities (in-house operations and value chain) – methodologies, assumptions and tools. The Group reviews its assets and activities to identify actual and potential IROs within its own operations and, where relevant, within the upstream and downstream value chain (suppliers and contractors, and authorised operators for waste collection, transport, recovery and disposal). The examination typically includes:

- **resource inputs:** assessment of the consumption of material resources used in the RET and in construction works (e.g. metals and conductors, insulators, equipment/assemblies, industrial oils and other relevant substances), as well as of auxiliary consumption associated with maintenance and construction-installation activities;
- **resource and waste outputs:** identification of waste streams resulting from operation, maintenance, modernisation and decommissioning (including end-of-life equipment, materials, packaging, waste oils and other hazardous/non-hazardous waste), including methods for separate collection, temporary storage, recovery/recycling and disposal;
- **risks and opportunities:** analysing supply chain risks (availability of recycling/recovery solutions, treatment/disposal costs), non-compliance and reputational risks, and opportunities for efficiency improvements (extending the service life of equipment, reuse, increasing material recovery, optimising routes/work and adopting modern technologies).

The assessment methodology is predominantly qualitative, based on (i) applicable legal requirements (including the national framework on waste management), (ii) internal procedures and checks/audits within the EMS (SR EN ISO 14001:2015), and (iii) internal operational and administrative data, such as records of procurement and materials management, waste registers/records and traceability documents (handover to authorised operators), supplemented, where applicable, by information from project documentation and the environmental management plans relating to the works.

IROs are identified through a systematic analysis of the material and waste streams associated with the operation, maintenance, modernisation and decommissioning of RET assets, using internal data (procurement/management/waste records) and information from project documentation, where applicable.

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS E5	Circular economy	Resource inputs, including resource use		opportunity	Improving the efficiency of maintenance activities through environmentally friendly practices – such as optimising service routes, using recyclable materials and

					promoting the circular economy – can reduce operational costs and environmental impact.
		Resource inputs, including resource use		impact	High resource consumption and economic losses – inefficient waste disposal can lead to financial losses and the inappropriate use of resources, undermining the Company's economic sustainability
		Waste			
		Resource inputs, including resource use		risk	Supply chain risks – the availability of effective solutions for recycling and recovering waste materials may be limited, which makes it difficult to implement sustainable practices within the company
		Resource outputs related to products and services		risk	Financial and operational risks – the high costs of storing and treating hazardous waste, as well as managing decommissioned equipment, may have a negative impact on the Company's budget
		Waste		risk	Environmental risks – improper management of waste from decommissioned equipment (e.g. conductors, insulators, oil-filled transformers) may have adverse effects on local ecosystems
		Waste		risk	Risks of non-compliance with legislation – changes to waste management regulations may impose stricter requirements for recycling and disposal, necessitating additional investment to ensure compliance
		Waste		risk	Reputational and image risks – poor waste management, involving incidents of pollution or failure to comply with environmental regulations, can damage the public's perception of the company and result in penalties from the authorities

Consultations (particularly with affected communities). During the reporting period, Transelectrica did not hold any consultations with affected communities specifically on the topic of “*resource use and the circular economy*”. However, feedback from stakeholders was gathered through general consultation and communication channels, including the public questionnaire on material topics (available on the Transelectrica website under the Home section – All news – https://web.transelectrica.ro/noutati/lista_noutati.html), accessible to all stakeholders. These tools also addressed issues relevant to the circular economy (e.g. resource use, waste) and were accessible to a range of stakeholders, including representatives of the local community. In addition, feedback is incorporated, where appropriate, through the regulatory and communication processes associated with projects/works, as well as through operational interaction with the competent authorities, contractors and authorised waste management operators.

Policies relating to resource use and the circular economy (E5-1)

The efficient use of resources and the adoption of circular economy principles are key priorities for the Transelectrica Group, having a direct impact on the sustainability of its operations and compliance with environmental regulations. As the Group's operations involve high consumption of materials and the generation of waste resulting from equipment maintenance, modernisation

and decommissioning, the integration of sustainable practices is crucial for optimising costs, reducing our environmental footprint and protecting natural resources. By applying the principles of the circular economy, the Transelectrica Group aims to reduce the consumption of raw materials, reuse and recycle materials, and minimise the waste generated, thereby contributing to a more efficient and responsible operational model. This approach not only supports the transition to a greener energy system, but also provides a sustainable framework for the long-term development of TEN-E infrastructure.

In this context, Transelectrica has adopted the Policy Statement on Quality, Environment, Health and Safety Management, which includes clear commitments to the efficient use of resources, the prevention of waste and the integration of circular economy principles into its operations. Through this approach, the Company aims to maintain an effective environmental management system, reduce the environmental impact of its infrastructure and optimise the use of resources through sustainable practices.

The statement on risk management policy also applies to issues relating to resource use and the circular economy, as it includes principles concerning the identification and management of operational and environmental risks that may affect the efficiency of material consumption and waste management. The Transelectrica Group adopts a proactive approach to risk management, which involves preventing and reducing waste of resources, minimising environmental impact and integrating sustainable materials management solutions. The document highlights the need to monitor the environmental impact of activities, including by optimising the processes involved in the procurement, use and recycling of the resources required for the operation and maintenance of the electricity transmission infrastructure.

As part of the Infrastructure Development and Upgrade Policy (in accordance with the RET Development Plan 2024–2033), the Energy Efficiency Policy and the Smart Grid Policy, Transelectrica is implementing measures designed to optimise the use of resources and support the transition to a circular economy. These measures include adopting sustainable technological solutions to reduce material and energy consumption, implementing strategies for the recycling and reuse of equipment within the electricity network, and the efficient management of waste generated by maintenance and modernisation activities. Solutions are also being implemented to reduce energy losses, optimise the consumption of natural resources and introduce efficient processes for the procurement and use of materials, so as to minimise the environmental impact and extend the service life of electrical infrastructure equipment.

The company implements and maintains an Integrated Management System covering quality, the environment, and occupational health and safety, in line with the highest international standards. To this end, the requirements of SR EN ISO 9001:2015 for quality management, SR EN ISO 14001:2015 for environmental management and SR ISO 45001:2023 for occupational health and safety are applied. By integrating these standards, Transelectrica ensures that it complies with legal and environmental regulations, optimises the use of resources, minimises the environmental impact of waste, and actively contributes to the transition towards a sustainable and responsible operational model.

In summary, Transelectrica's policies cover the following areas, where relevant: (a) the transition from the use of virgin resources to secondary resources, by promoting the reuse of components where possible and increasing the recovery and recycling of materials resulting from works; (b) the sustainable procurement and use of renewable resources, through compliance requirements

and responsible procurement criteria applicable to suppliers/contractors, as well as by favouring solutions and materials with a low environmental impact, within the limits of the technical requirements applicable to critical infrastructure.

Actions and resources relating to resource use and the circular economy (E5-2)

Transelectrica is firmly committed to protecting the environment and implementing sustainable practices at every stage of its operations. Through a proactive approach, the Company takes all necessary measures to minimise its environmental impact, implementing effective solutions for the responsible management of resources, waste reduction and pollution prevention.

To this end, the Transelectrica Group incorporates the principles of the circular economy and energy efficiency into its operational strategy by optimising material consumption, reusing equipment and recycling resources wherever possible. Through careful monitoring, technological modernisation and alignment with the highest international environmental standards, the Group ensures that every action it takes contributes to a sustainable, efficient and environmentally friendly energy system.

Tanselectrica draws up an annual “Environmental Management and Protection Programme” which sets out the actions and work required to achieve the Company’s environmental objectives and targets, including deadlines, the necessary resources and the staff responsible for implementing the programme. The development and use of this programme is important for the implementation, maintenance and improvement of the Company’s environmental management system. The activities and work included in the programme are described in detail in ESRS E2-2 – Actions and resources relating to pollution.

The company is implementing measures to improve resource efficiency, reduce waste and promote a circular economy model. As part of its infrastructure maintenance and modernisation processes, Transelectrica adopts technologies and materials with a longer service life, thereby minimising the need for frequent equipment replacement and reducing the amount of waste generated.

At the same time, Transelectrica is complying with Government Emergency Ordinance No. 92/2021 on waste management, with a view to applying the waste management hierarchy, which includes prevention, reuse, recycling and recovery of materials. The company aims to minimise waste disposal by promoting processes through which used components are reintroduced into the operational cycle.

Transelectrica is supporting the transition to a circular economy by modernising its infrastructure and adopting advanced technologies that enable the reuse of equipment and extend its lifespan.

To ensure the efficient use of resources, Transelectrica employs monitoring and reporting systems that enable the analysis of the environmental impact of its operations. By obtaining ISO SR EN 14001:2015 certification, the company demonstrates its commitment to responsible resource management and reducing its environmental impact.

Actions relating to resource use and the circular economy		
Optimising the use of resources in operational activities	Responsible waste management	Performance monitoring and reporting
The use of energy-efficient equipment, which contributes to operational efficiency and reduces material consumption	The collection, sorting and recycling of hazardous and non-hazardous waste, including batteries, end-of-life electrical equipment and waste oil	Monitoring and reporting systems that enable the analysis of the environmental impact of operations
Installation of concrete platforms for the storage of decommissioned equipment, so that it can be reused or recycled efficiently	Recycling ferrous and non-ferrous metals through partnerships with recycling companies	SR EN ISO 14001:2015 certification demonstrates a commitment to responsible resource management and reducing environmental impact
Implementing strategies to reduce water consumption, whilst closely monitoring the use of this essential resource at all the Company's stations and offices	Preventing soil and water pollution through the use of oil-water separators for the management of accidental spills	

The actions and resources described cover:

- improving the efficiency of technical materials usage by extending the service life of equipment, optimising operations and monitoring water consumption; at this stage, the Transelectrica Group does not report separately on measures relating to critical raw materials and rare earths, but will assess the appropriateness of such a distinction based on its relevance to the equipment portfolio;
- the use of secondary raw materials is primarily supported by increasing the rate of recovery/recycling of materials generated from construction works; as of 2025, the Company has not yet set specific targets for integrating recycling into procurement, beyond the applicable technical requirements;
- design principles and the selection of solutions with a long service life and potential for reuse or recycling are incorporated, where feasible, into modernisation and maintenance activities, helping to reduce the need for frequent replacements and increase recovery at the end of the life cycle;
- circular practices include measures to retain value (maintenance, repairs, reuse where possible, component recovery and material recovery), as well as end-of-life measures (recycling/recovery by authorised operators);
- throughout the value chain, the Group applies procedural and compliance requirements for contractors and uses authorised operators for waste management, ensuring documentary traceability and reducing the risk of improper waste generation or management;
- waste management is carried out in accordance with the waste hierarchy, prioritising prevention, reuse, recycling and recovery, whilst disposal is carried out in a controlled manner, in accordance with regulations.

The transmission of electricity does not generate any process-related waste; waste arises from maintenance, capital works and administrative activities. Waste is generated by construction and

maintenance activities, as well as by human activity. The volume of waste varies from year to year, depending on the scale of investment and maintenance work.

The quantities of waste generated are recorded in the waste register, and the data are included in the annual environmental report for each organisational unit. The total amount of waste generated by the Group in 2025 was:

Year	Waste generated (t)	Recycled waste (t)	Waste disposed of (t)	Stored waste (t)	Waste management indicator: waste disposed of, recycled/waste generated
2024	10.341,65	8.550,89	3.174,29	2.670,22	113.38 %
2025	22.081,09	16.011,03	7.168,57	7.164,46	104.97%

For the recovery and/or disposal of waste, Transelectrica has contracts in place with authorised waste management operators, in accordance with the regulations in force. For each type of waste generated, specific recovery and/or disposal solutions are established, thereby ensuring compliance with legal requirements and minimising the environmental impact.

Types of waste	Quantities generated in 2024		Quantities generated in 2025	
Hazardous waste	4334 t	41.91%	906.19 t	4.12%
Non-hazardous waste	6008 t	58.09%	21.173,74,50 t	95.88%
Total	10342 t	100%	22.081,09 t	100%

Through these initiatives and resources, Transelectrica aims to reduce resource consumption, increase material recovery and strengthen circular economy practices, in line with legal requirements and the Company's sustainability objectives.

Targets relating to resource use and the circular economy (E5-3)

During the 2025 reporting period, Transelectrica has not yet set aggregate quantitative targets (with numerical values and trajectories) for resource use and the circular economy, given the need to consolidate data at portfolio level (resource inputs, resource/waste outputs, flows by material type) and to align internal methodologies. However, the Company monitors the effectiveness of its policies and actions through a set of operational and compliance targets (MDR-T), which are tracked via the Integrated Management System (SR EN ISO 14001:2015), management and traceability records, and environmental reports.

Process/compliance targets (MDR-T)			
T1 – Improving waste management (inputs/outputs)	T2 – Traceability and compliance for waste	T3 – Extending the service life of equipment and reducing material waste	T4 – Incorporating circularity requirements into works and procurement (where feasible)
Consistent application of the waste hierarchy, prioritising prevention, reuse and	Maintaining documentary traceability and using authorised operators for collection, transport, recovery and	Incorporating value retention practices (maintenance, repairs and reuse where possible) into maintenance and	Where possible and compatible with technical and safety requirements, the inclusion of

recovery/recycling, and ensuring controlled treatment/disposal where recovery is not possible.	disposal, including internal checks and records, to minimise the risks of non-compliance and incidents.	modernisation processes, in order to reduce the need for frequent replacement and the consumption of primary raw materials.	requirements regarding reuse/recycling and waste management in working documents and in dealings with contractors.

Matching the targets to the required fields. The targets described relate to resource inputs and resource outputs (including waste), as follows:

- *circular design*: in 2025, no specific circular design targets have been set at product level; however, sustainability criteria and the potential for reuse/recycling are incorporated, where feasible, into upgrades and technical solutions;
- *increasing the rate of circular use of materials*: Targets T1–T3 support increased recovery and recycling of materials resulting from construction works;
- *reduction of primary raw materials*: Target T3 aims to reduce waste and the need for replacement by extending product lifespans and reusing items where possible;
- *sustainable procurement and renewable resources*: no specific targets for renewable resources have been set for 2025; procurement issues are addressed through compliance requirements and responsible procurement, where applicable;
- *Waste management*: Targets T1–T2 focus on preparation for proper treatment, traceability and the use of authorised operators.
- *Other aspects*: incorporating circularity requirements into projects and relations with contractors (Target T4).

Level in the waste hierarchy. Targets T1–T2 are primarily allocated to the following stages: prevention, preparation for reuse, recycling/recovery, and controlled disposal (where recovery is not possible), in accordance with the waste hierarchy.

Mandatory or voluntary. The targets relating to traceability, compliance and waste management (T1–T2) are, for the most part, mandatory, stemming from legal requirements concerning waste management and compliance with environmental regulations. The targets relating to value retention and the integration of circularity (T3–T4) are voluntary and are aimed at improving operational performance and efficiency, within the limits of technical and safety requirements.

Resource inputs (E5-4)

In line with the double materiality analysis and the IROs identified for ESRS E5, the resource inputs relevant to Transelectrica are primarily associated with the maintenance, modernisation and expansion of the RET infrastructure, as well as day-to-day operations (offices and substations), and may influence both resource consumption and waste generation, as well as associated life-cycle costs.

Description of resource inputs. The main categories of resource inputs into the company's own operations and, where relevant, into the upstream value chain include:

- *technical products and materials* used in construction and maintenance work (e.g. metals and conductors, insulators and components for substations/overhead lines, construction materials, oils and other substances relevant to equipment);
- *packaging* accompanying deliveries of equipment and materials, where applicable;
- *water*, used primarily for operational purposes at offices and stations (and, where applicable, for ancillary activities);
- *tangible fixed assets* (assets and components installed or replaced within the infrastructure), which represent significant material flows at the level of investment and modernisation projects;
- *critical raw materials and rare earths*: in 2025, the Transelectrica Group does not report these components separately in its resource inputs, as there is not yet a consolidated classification at portfolio level; an analysis of their relevance will be developed in stages, depending on the composition of the equipment purchased and the data available.

Quantitative data (tonnes/kg) on the materials used. In the 2025 reporting year, Transelectrica has not yet provided aggregated quantitative data in tonnes/kg regarding: (a) the total weight of the products and materials used, (b) the percentage of sustainable biological materials and the associated certification schemes, and (c) the weight/percentage of reused components or secondary materials used, as the data is currently managed at project/procurement/management level and is not consolidated into a standardised ESRS methodology for aggregate reporting. The Group aims to gradually improve the collection and standardisation of this data in future reports.

Calculation methods, measurements versus estimates and assumptions. Data on resource inputs is currently collected mainly from internal records (procurement, stock management, project documents and acceptance reports), and for certain categories (e.g. water) from operational records relating to consumption. In the absence of portfolio-level consolidation for ESRS reporting in 2025, the Company does not yet use a standardised methodology for converting these records into the required quantitative indicators (tonnes/kg, percentages of secondary/biological materials). In the next stage, Transelectrica will develop an internal methodology to establish the data sources, conversion rules and key assumptions (including how to account for annual variations caused by investment and maintenance volumes).

Resource outputs (E5-5)

The transmission of electricity does not directly generate waste, but waste is produced as a by-product of construction, maintenance and administrative activities. During infrastructure modernisation and electrical network maintenance work, various types of waste are generated, including construction materials, end-of-life equipment, industrial oils and packaging. Furthermore, the human activity carried out at the Group's stations and offices contributes to the generation of household waste and office waste.

The amount of waste generated varies from year to year, depending on the volume of investment and maintenance work. During periods involving large-scale infrastructure refurbishment and modernisation projects, there is an increase in the volume of materials taken out of service, whereas in years with reduced operational activity, the volume of waste is lower.

The Transelectrica Group implements strategies for the efficient management of this waste, focusing on recycling, reuse and recovery, in accordance with the principles of the circular economy and current legislation.

No. it.	Type of waste	Code of HGR 856/2002	Use		Remove	
			Recycling	Co-incineration	Cremation	Storage
1	Plastics (personnel equipment)	07 02 13	-	-	x	-
2	Other unspecified waste	07 02 99	-	-	x	-
3	Waste printer toner cartridges	08 03 18	x	-	-	-
4	Hydraulic mineral oils	13 01 10*	x	-	-	-
5	Synthetic engine, transmission and lubricating oils	13 02 06*	x	-	-	-
6	Other engine, gear and lubricating oils	13 02 08*	-	-	x	-
7	Non-chlorinated mineral oils for insulation and heat transfer	13 03 07*	x	-	-	-
8	Sludge from oil-water separators	13 05 02*	-	-	x	-
9	Oily water from oil-water separators	13 05 07 *	-	-	x	-
10	Paper and cardboard packaging	15 01 01	x	-	-	-
11	Plastic packaging	15 01 02	x	-	-	-
12	Metal packaging	15 01 04	x	-	-	-
13	Absorbent materials contaminated with hazardous substances	15 02 02*	-	-	x	-
14	Protective clothing	15 02 03	-	-	x	-
15	Scrap tyres	16 01 03	x	-	-	x
16	Lead batteries	16 01 06*	x	-	-	-
17	Oil filters	16 01 07*	x	-	-	x
18	Brake pads	16 01 12	x	-	-	x
19	Ferrous metals	16 01 17	x	-	-	-
20	Non-ferrous metals	16 01 18	x	-	-	-
21	End-of-life equipment containing hazardous components	16 02 13*	x	-	-	-
22	Waste electrical and electronic equipment (WEEE)	16 02 14	x	-	-	x
23	Components removed from decommissioned equipment	16 02 16	x	-	-	-
24	Lead-acid batteries	16 06 01*	x	-	-	-
25	Alkaline batteries	16 06 04	x	-	-	-
26	Rechargeable batteries	16 06 05	x	-	-	-
27	Rechargeable batteries	16 06 05	x	-	-	-

No. it.	Type of waste	Code of HGR 856/2002	Use		Remove	
			Recycling	Co-incineration	Cremation	Storage
28	Tiles and ceramic materials (Porcelain insulators)	17 01 03	-	-	-	x
29	Demolition waste	17 01 07	x	-	-	-
30	Wood	17 02 01	x	-	-	-
31	Glass	17 02 02	x	-	-	-
32	Plastics	17 02 03	x	-	-	-
33	Copper, bronze, brass	17 04 01	x	-	-	-
34	Aluminium	17 04 02	x	-	-	-
35	Iron and steel	17 04 05	x	-	-	-
36	Metal alloys (cast iron)	17 04 07	x	-	-	-
37	Al-Cu (cables)	17 04 11	x	-	-	-
38	Mixed construction and demolition waste	17 09 04	-	-	-	x
39	Sharp objects	18 01 01	-	-	x	x
40	Infectious sharps waste	18 01 03*	-	-	x	x
41	Medicines	18 01 09	-	-	-	x
42	Rubber	19 12 04	-	-	x	-
43	Paper and cardboard	20 01 01	x	-	-	-
44	Textiles	20 01 11	x	-	-	-
45	Fluorescent tubes and other mercury-containing waste	20 01 21*	x	-	-	x
46	Scrapped electrical and electronic equipment	20 01 36	x	-	-	-
47	Plastics	20 01 39	x	-	-	-
48	Metal	20 01 40	x	-	-	-
49	Mixed municipal waste	20 03 01	-	-	x	x
50	Sludge from septic tanks	20 03 04	-	-	-	x

Methodology and data sources. The waste data is derived from waste records and environmental reports at the level of organisational units, consolidated at company level. Waste is classified by type in accordance with the national list (HGR 856/2002) and the applicable legal requirements, and quantities are determined primarily through measurements/weighing upon handover to authorised operators (traceability documents), supplemented, where necessary, by operational estimates for internal stocks/flows.

Hazardous and non-hazardous waste

Transelectrica strictly adheres to the waste hierarchy, with the primary focus being on preventing waste generation. To achieve this objective, regular staff information programmes are being implemented, alongside other control and monitoring tools. Where it is not possible to prevent waste generation, efforts are made to minimise the amount of waste produced by identifying

options for reuse, recycling and energy recovery, without disrupting operational processes or compromising the safety of the electricity transmission network.

As a result of the activities carried out, both hazardous and non-hazardous waste is generated, arising from infrastructure maintenance, modernisation works and administrative activities. Changes in waste volumes are influenced by annual investment and maintenance projects. Waste streams are continuously monitored to ensure compliance with the requirements of Government Emergency Ordinance No. 92/2021 on waste management and the implementation of optimal solutions for collection, recycling, disposal or recovery.

Below is a summary of the quantities of waste managed, broken down by waste type: non-hazardous/hazardous, including the quantities generated, recovered, disposed of and remaining in stock for the year 2025.

Crt. no.	Type of waste name		Generate	Capitaliz ation		Delete		Initially stored	Stored End
		code	tons	Recic.	Co- incin erati on	Inciner ation	Storage		
1	Skin	02 01 02	0.004	0	0	0	0	0.0152	0.0192
2	Plastics (personal equipment)	07 02 13	0.012	0	0	0	0	0.518	0.53
3	Other unspecified wastes	07 02 99	0.272	0	0	0	0	0.316	0.588
4	Waste Printer Toner	08 03 18	0.207	0	0	0.207	0	0	0
5	Hydraulic mineral oils	13 01 10*	0.0927	0	0	0	0	0.1133	0.206
6	Used engine oil	13 02 06*	0.082	0	0	0	0	0.5161	0.5981
7	Engine worn out	13 02 08*	0.1938	0.111	0	0	0	0.306	0.3888
8	Used oil	13 03 07*	106.0124	121.28	26.53 7	0	0	221.5389	179.7343
9	Sludge from water-oil separators	13 05 02*	1.765	0	0.56	0.68	0.38	0	0.145
10	Oil from oil/water separators	13 05 06*	0.39	0	0	0.39	0	0	0
11	Oily water from oil/water separators	13 05 07*	30.385	0	0	2.285	28.1	0	0
12	Paper and cardboard packaging	15 01 01	3.085	3.085	0	0	0	0	0
13	Plastic packaging	15 01 02	2.65	2.7451	0	0	0	0.1221	0.027
14	Metal packaging	15 01 04	0.525	0.525	0	0	0	0	0
15	Absorbents contaminated with hazardous substances	15 02 02*	0.021	0	0	0	0	0.482	0.503
16	Protective clothing	15 02 03	0.725	0	0.303	0.327	0	0.759	0.854
17	Used tyres	16 01 03	0.115	0.008	0.115	0	0	0.008	0
18	Oil filters	16 01 07*	0.005	0	0	0	0	0.022	0.027
19	Ferrous metals	16 01 17	0	0	0	0	0	0.05	0.05

Crt. no.	Type of waste name		Generate	Capitaliz ation		Delete		Initially stored	Stored End
20	Scrapped equipment containing hazardous components	16 02 13*	735.303	829.906	0	0	0	789.94	695.337
21	Scrapped electrical and electronic equipment (WEEE) /	16 02 14	264.97345	1058.085	0	0	0	1439.1523	646.04065
22	Hazardous components disassembled from scrapped equipment	16 02 15*	0	0	0	0	0	0.16	0.16
23	Dismantled components from scrapped equipment	16 02 16	7.3497	7.7263	0	0	0	6.1655	5.7889
24	Composite insulators	16 03 04	0	0	0	0	0	0.082	0.082
25	Pb batteries	16 06 01*	31.833	31.864	0	0	0	6.8735	6.8425
26	Alkaline batteries	16 06 04	0.0017	0.0017	0	0	0	0.0059	0.0059
27	Batteries/Accumulators	16 06 05	0.2004	0.2	0	0	0	0.001	0.0014
28	Concrete	17 01 01	12729.73	12729.73	0	0	0	0	0
29	Porcelain insulators	17 01 03	0.044	0.004	0	0	0	95.756	95.796
30	Demolition waste	17 01 07	4831.32	0	0	0	4831.32	0	0
31	Wood	17 02 01	0.5399	0	0.275	0	0	0.299	0.5639
32	Glass	17 02 02	0.06	23.558	0	0	0	50.146	26.648
33	Plastic	17 02 03	0.061	0	0	0	0	0	0.061
34	With	17 04 01	0.0908	1.4495	0	0	0	1.4088	0.0501
35	Al	17 04 02	20.21962	27.6662	0	0	0	24.1044	16.65782
36	Iron	17 04 05	685.3295	744.3763	0	0	0	804.25979	745.213
37	Cast iron (am. metallic)	17 04 07	167.09783	174.4685	0	0	0	674.6348	667.26413
38	Ol-Al (cables)	17 04 11	66.907	97.332	0	0	0	102.045	71.62
39	Earth and stones	17 05 04	16.5	16.5	0	0	0	0	0
40	Asbestos-containing building materials	17 06 04	0.046	0	0	0	0	0.6889	0.7349
41	Sanitary waste	18 01 01	0.0043	0	0	0.0043	0	0	0
42	Infectious-stinging medical waste	18 01 03*	0.0393	0	0	0.0407	0	0.0014	0
43	Medical waste	18 01 09	0.0025	0	0	0.0025	0	0	0
44	Rubber	19 12 04	0.0514	0	0	0.03	0	0.1283	0.1497
45	Paper	20 01 01	19.374	18.487	0	0	0	0.195	1.082
46	Textile	20 01 11	0.1138	0	0	0	0	0.1606	0.2744
47	Fluorescent tubes	20 01 21*	0.0471	0.0372	0	0	0	0.2779	0.2878
48	One,	20 01 33*	0.021	0.011	0	0	0	0	0.01

Crt. no.	Type of waste name		Generate	Capitaliz ation		Delete		Initially stored	Stored End
49	Scrapped electrical and electronic equipment	20 01 36	2.942	2.942	0	0	0	0.021	0.021
50	Plastics	20 01 39	0.335	0.331	0	0	0	0.008	0.012
51	Metals	20 01 40	0.252	0.11	0	0	0	0.0015	0.1435
52	Municipal waste	20 03 01	552.429	0	0	0.048	552.381	0	0
53	Sludge from septic tanks	20 03 04	1701.935	0	0	0	1744.135	99.1	56.9
	TOTAL		21981.6952	15892.54	27.79	4.0145	7156.316	4320.38319	3221.418

Waste generated	2025	2024
Total amount of waste generated (tonnes)	22,081	10,342
Waste diverted from disposal (tonnes)	15,983	8,551
Preparation for reuse (tonnes)	0	0
Hazardous Waste Recycling (tonnes)	984	4,552
Recycling of non-hazardous waste (tonnes)	14,999	3,999
Waste destined for disposal (tonnes)	7,196	3,174
incineration with energy recovery, hazardous waste (tonnes)	3	0
incineration with energy recovery, non-hazardous waste (tonnes)	1	504
Storage (tons)	7,164	2,670
Other disposal operation (tonnes)	28	0
Quantity of non-recycled waste (tonnes)	6,098	1,791
Percentage of non-recycled waste (%)	28%	17%
Hazardous waste generated in the reporting year (tonnes)	907	4,334
Total amount of radioactive waste generated (tonnes)	-	-

To ensure the efficient management of waste generated by Group's activities, clear procedures have been put in place, in compliance with current regulations on environmental protection and the circular economy.

The first step in this process is to identify and classify waste by drawing up a detailed list of the types of materials generated by the Group's operations. This includes both hazardous waste, arising from the use of industrial oils or end-of-life electrical equipment, and non-hazardous waste, such as construction debris, packaging and household waste from administrative premises.

The waste is then collected and temporarily stored in specially designated areas, in accordance with legal requirements and under safe conditions, to prevent any risk of soil, water or air contamination. This stage is essential for the proper management of waste streams and the optimisation of recovery processes.

Following collection, the waste is transported to authorised facilities under contracts entered into with specialist operators. Depending on the type of waste, it is either recovered through recycling or reuse, or disposed of under controlled conditions in accordance with environmental regulations.

Responsible waste management also involves keeping records of waste management by monitoring and reporting the quantities generated, recovered and disposed of.

In addition, the Transelectrica Group regularly submits the necessary reports to the relevant authorities, ensuring transparency and compliance with environmental regulations.

Through these measures, Transelectrica is reinforcing its commitment to the sustainable management of resources and the implementation of circular economy principles, reducing its environmental impact and optimising the use of materials across all operational processes.

The anticipated financial effects of the impacts, risks and opportunities associated with resource use and the circular economy (E5-6)

Given that 2025 marks Transelectrica's second reporting year in accordance with ESRS standards and that the requirements are being implemented in phases, the Company is taking a cautious approach to presenting the anticipated financial impacts relating to resource use and the circular economy. In accordance with the provisions of Delegated Regulation (EU) 2025/1416 on the phased introduction of certain requirements, the Transelectrica Group may, at this stage, provide predominantly qualitative information, as there is not yet a consolidated internal methodology or a set of comparable portfolio-level data to enable robust and verifiable quantification (such as monetary exposures, impact ranges and reconciliation with financial statements).

However, the Transelectrica Group is conducting a qualitative assessment of the main channels through which financial impacts relating to E5 may arise, in particular: (i) compliance and operational costs associated with waste management and traceability; (ii) potential fluctuations in the costs and availability of recovery/disposal solutions depending on the services market and regulatory changes; (iii) investment and maintenance costs for extending the service life of equipment and optimising consumption; and (iv) opportunities for medium-term efficiency gains through reducing waste, increasing material recovery and improving the predictability of waste management costs.

The Transelectrica Group will continue to progressively develop the internal framework required to estimate and subsequently quantify these financial impacts, by consolidating data on resource inputs and outputs, waste streams and associated costs, and by harmonising assessment methodologies, so that future disclosures are comprehensive, comparable and aligned with ESRS requirements.

CHAPTER III

EU taxonomy (in accordance with the ESRS and EU Regulation 2020/852) (ESRS E1 – E5)

This chapter describes the information disclosed by the Transelectrica Group pursuant to Article 8 of the Taxonomy Regulation (Regulation (EU) 2020/852) for the financial year ended 31 December 2025. The information complies with the reporting requirements under Article 8 of the Taxonomy Regulation and the subsequent Delegated Regulations: Commission Delegated Regulation (EU) 2021/2178, Commission Delegated Regulation (EU) 2021/2139, Commission Delegated Regulation (EU) 2022/1214, Commission Delegated Regulation (EU) 2023/2485, Commission Delegated Regulation (EU) 2023/2486 and Commission Delegated Regulation (EU) 2026/73.

The table below presents the proportion of Taxonomy-aligned (A1), Taxonomy-eligible (A2) and Taxonomy-non-eligible (B) economic activities of the Transelectrica Group, in accordance with Article 8(2) of the Taxonomy Regulation.

Transelectrica Group		Proportion of economic activities eligible for the taxonomy and ineligible in total turnover, CapEx and OpEx – Financial Year 2025		
KPIs	Total (RON thousands)	Eligible and aligned activities (A1):	Eligible and non-aligned activities (A2):	Ineligible activities (B):
Turnover (thousands of lei)	5.513.252		5.513.252	-
Capital expenditures (CapEx) (thousands of lei) - According to 2844/2016	863.338		757.510	105.828
Capital expenditures (CapEx) (thousands of lei) - According to IFRS	862.413		757.510	104.903
Operational expenses (OpEx) (thousands of lei)	82.078		44.536	37.542

Assessment of compliance with Regulation (EU) 2020/852

In the context of the transition to a sustainable economy, the EU Taxonomy represents an essential framework for classifying economic activities that contribute to the environmental objectives established at European level. In accordance with Regulation (EU) 2020/852 and the related delegated regulations, this classification system helps companies, investors and decision-makers identify activities that support sustainability and improve reporting transparency.

Criteria for environmentally sustainable economic activities. For the purpose of determining the degree of environmental sustainability of an investment, an economic activity qualifies as environmentally sustainable where that economic activity:

- (a) contributes substantially to one or more of the following environmental objectives:

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

(b) does not significantly harm any of the environmental objectives;

(c) is carried out in compliance with the minimum safeguards, namely procedures implemented by an undertaking carrying out an economic activity in order to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and those set out in the International Bill of Human Rights;

(d) complies with the technical screening criteria.

The European framework on sustainable finance and environmental information transparency has continued to evolve and, through Commission Delegated Regulation (EU) 2026/73, the European Commission updated the reporting requirements laid down in Article 8 of Regulation (EU) 2020/852 by simplifying the content and presentation of information relating to environmentally sustainable economic activities, as well as by adjusting certain technical screening criteria relevant to the application of the EU Taxonomy. Although the new regulation applies from 1 January 2026, it also provides for the possibility of maintaining the previous framework for the financial year beginning in 2025; however, Transelectrica will apply the updated requirements for the 2025 reporting year.

This regulation introduces the 10% materiality threshold; accordingly, non-material activities must be excluded from the analysis, namely activities that cumulatively generate less than 10% of turnover, capital expenditure (CapEx) or operating expenditure (OpEx).

For the 2025 reporting year, based on the compliance assessment performed, Transelectrica reports the relevant economic activities as Taxonomy-eligible but not Taxonomy-aligned. This presentation reflects the fact that, although the activities fall within the scope of the Taxonomy, compliance with all technical criteria required for their qualification as aligned activities has not been demonstrated at this stage, in particular from the perspective of the DNSH requirements related to the climate change adaptation objective and of the minimum safeguards. This analysis was also revisited for 2024 and, following a reassessment of the technical criteria and minimum safeguards, the Group concluded that activity 4.9 CCM Electricity transmission and distribution is only eligible. This does not affect the tabular reporting for the current year.

Accordingly, the 2025 reporting provides a transparent picture of the share of Transelectrica's eligible activities and of the current stage of their alignment with the EU Taxonomy, under the revised framework introduced by Commission Delegated Regulation (EU) 2026/73.

In the process of reviewing and analysing the degree of eligibility and alignment of Transelectrica's activities with the Taxonomy, the following steps were performed:

- a) classification and grouping of Transelectrica's economic activities;
- b) analysis of the eligibility of the identified activities;
- c) assessment of compliance with the technical criteria established by Commission Delegated Regulation (EU) 2021/2139 for contribution to the environmental objectives of climate change mitigation and climate change adaptation, and by Commission Delegated Regulation (EU) 2023/2486 for contribution to the environmental objectives relating to the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems;
- d) analysis of the DNSH principle ("Do No Significant Harm"). Activities must not cause significant harm to the other EU environmental objectives defined in Regulation (EU) 2020/852;
- e) verification of compliance with the minimum social safeguards.

The environmental objectives and targets established at Transelectrica level aimed at maintaining a high-performing environmental management system and preventing and reducing pollution, so that the impact of the electricity transmission network and of the Company's activities on the environment remains within the limits of national and European requirements.

These objectives and targets were achieved through the actions included in the annual Environmental Management Programme for reducing air, water and soil pollution, reducing noise and vibration levels, improving waste and wastewater management, restoring the natural environment following maintenance/modernisation/retrofitting works, protecting fauna and flora, and monitoring environmental factors.

Among Transelectrica's main objectives relevant to the Taxonomy, we recall in particular:

- the provision of electricity transmission and system services at a level that meets customers' requirements and expectations and the performance standards defined in regulations and contracts;
- the optimisation of the operation of the electricity transmission network infrastructure in order to ensure the quality of transmitted electricity in accordance with ENTSO-E requirements and the Technical Code of the RET, while limiting the negative impact on the environment to a level permitted at European level;
- ensuring access to the RET for participants, as support for the wholesale electricity market, in a transparent, impartial and non-discriminatory manner;
- the development and modernisation of the RET, in line with users' needs;
- supporting the development and diversification of the domestic and regional electricity market with a view to integration into the European market;
- making a major contribution to ensuring the sustainable development of the national economy.

Following the assessment, in accordance with the legislative requirements, we identified the Group's main activity as being eligible under the EU Taxonomy, which means that it falls within the economic sectors considered essential for the transition to sustainability.

Transelectrica aims to provide the public service for all users of the transmission network, ensuring access to the transmission networks for any applicant that meets the legal requirements.

The Group's main activity is electricity transmission (the transmission and dispatching of electricity, and the organisation and administration of the electricity market), in accordance with CAEN code 3512. Consequently, the main activity corresponds to activity 4.9 – Electricity transmission and distribution (the construction and operation of transmission systems that transport electricity in the extra high-voltage and high-voltage interconnected system), as provided for in Commission Delegated Regulation (EU) 2021/2139.

An economic activity qualifies as an activity that contributes substantially to one or more environmental objectives where it directly enables a substantial contribution by other activities to one or more of those objectives, provided that the economic activity: (a) does not lead to a lock-in of assets that undermines long-term environmental objectives, taking into account the economic lifetime of those assets; and (b) has a substantial positive environmental impact, based on life-cycle considerations.

Following the review of the criteria by the specialised departments, the identified activity does not meet all the requirements to be classified as aligned in accordance with Article 3(a) and (b) of Regulation (EU) 2020/852.

For the determination of the turnover, CapEx and OpEx indicators, we analysed revenues, investments and operating expenses in conjunction with the requirements of the Taxonomy Regulation. In this way, we ensure that no activity is double counted.

None of our activities contributes to more than one environmental objective and, therefore, no disaggregation of the key performance indicators is required.

Contextual information on the Turnover KPI

From the perspective of the Turnover KPI, through our own assessment of the eligibility of the activities performed, in accordance with the CAEN codes included in the articles of association and in line with the provisions of Regulation (EU) 2020/852 establishing a framework to facilitate sustainable investment, at the level of the Transelectrica Group, 100% of the main electricity transmission activity (code 4.9 CCM) was identified as Taxonomy-eligible. The Turnover KPI was determined by dividing Taxonomy-eligible turnover by total turnover.

The denominator of the Turnover KPI is based on the net turnover recognised in the consolidated financial statements prepared in accordance with Order 2844/2016, as well as IFRS, for the financial year ended 31 December 2025, based on the accounting policies presented in Note 3 "Accounting policies – r) Revenue".

Turnover, amounting in total to RON 5,513,252 thousand, is reconciled with the consolidated financial statements prepared in accordance with Order 2844/2016, as well as IFRS, for the financial year ended 31 December 2025, Note 22 – Operating revenue. There were no changes during the year in the structure of turnover.

Contextual information on the CapEx KPI

From the perspective of the CapEx KPI, in accordance with the Taxonomy Regulation, the CapEx denominator includes additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and finance leases (IFRS 16).

Through our own assessment of the investments made in accordance with the provisions of Regulation (EU) 2020/852 establishing a framework to facilitate sustainable investment, at the level of the Transelectrica Group, investments related to the eligible revenue-generating activity (CapEx type A) were identified – 4.9 CCM Electricity transmission and distribution.

The denominator includes additions to tangible and intangible fixed assets during the financial year under consideration before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also covers additions to tangible and intangible fixed assets resulting from business combinations.

The numerator is equal to the portion of capital expenditure included in the denominator that: **(a)** relates to assets or processes associated with Taxonomy-aligned economic activities; **(b)** forms part of a plan to expand Taxonomy-aligned economic activities or to enable Taxonomy-eligible economic activities to become Taxonomy-aligned.

Main investment categories:

1. Investments in transmission network infrastructure:

- Modernisation and expansion of electricity transmission infrastructure.
- Development of high-voltage substations and lines.
- Integration of renewable sources into the grid.

2. Digitalisation and automation:

- Implementation of smart grids.
- SCADA systems, IoT and technologies for efficient network monitoring.
- Control centres and energy flow optimisation platforms.

3. Energy efficiency and sustainability:

- Reduction of technological losses in the network.
- Energy storage systems and consumption balancing solutions.
- Projects for compliance with environmental requirements.

4. Other regulated investments:

- Support assets required for the efficient operation of the network.

The investments made during 2025 were not aligned.

Other Taxonomy-relevant investments (CapEx type C)

- Activity 6.5 “Transport by motorcycles, passenger cars and light commercial vehicles” consists of the acquisition of N1, M1 or electric vehicles – this represents 3.78% of total additions during the year.
- Activity 7.1 “Construction of new buildings” consists of the construction of a production and storage hall and a building with a social-administrative function – this represents 0.16% of total additions during the year.
- Activity 7.3 “Installation, maintenance and repair of energy efficiency equipment”, where mainly air-conditioning systems were recorded – this represents 0.87% of total additions during the year.

The CapEx KPI is equal to Taxonomy-eligible CapEx (numerator) divided by total CapEx (the denominator must include intangible assets, tangible assets, right-of-use assets and additions resulting from business combinations) and is recognised in the financial statements prepared in accordance with IFRS for the financial year ended 31 December 2025, based on the accounting policies presented in Note 3 “Accounting policies – b) Tangible assets and d) Intangible assets”.

Capital expenditure, amounting in total to RON 863,338 thousand, is reconciled with the consolidated financial statements prepared in accordance with Order 2844/2016, by adding the “Additions” lines from Note 5 “Property, plant and equipment”, the “Additions” lines from Note 6 “Right-of-use assets under lease contracts” and the “Acquisitions” lines from Note 7 “Intangible assets”.

Capital expenditure, amounting in total to RON 862,413 thousand, is reconciled with the consolidated financial statements prepared in accordance with IFRS, by adding the “Additions” lines from Note 5 “Property, plant and equipment”, the “Additions” lines from Note 6 “Right-of-use assets under lease contracts” and the “Acquisitions” lines from Note 7 “Intangible assets”. Acquisitions during the year vary depending on the investment plan.

Contextual information on the OpEx KPI

The OpEx KPI is defined as Taxonomy-eligible OpEx (numerator) divided by total OpEx. The expense accounts for external services (maintenance and repair expenses, royalty expenses, and expenses for services performed by third parties) are recognised in the financial statements prepared in accordance with Order 2844, respectively IFRS, for the financial year ended 31 December 2025.

The operating expenses relating to the OpEx indicator analysed for Taxonomy purposes are included in the amounts presented in the trial balance under accounts 6021 “Auxiliary materials expenses”, 6024 “Spare parts expenses”, 6028 “Other consumable materials expenses”, 603 “Inventory items expenses”, 611 “Repairs to buildings, equipment, machinery and others”, 612 “Rental expenses”, 615 “Professional training expenses” and 628 “Other expenses for services performed by third parties”.

Total OpEx consists of non-capitalised direct costs relating to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditure related to the day-to-day servicing of assets, property, plant and equipment.

The numerator of the OpEx KPI represents the operating expenses associated with Taxonomy-eligible economic activities (OpEx type A), namely Activity 4.9 CCM “Electricity transmission and distribution” – the recorded expenses comprise maintenance and repair expenses, IT expenses dedicated to the maintenance of tangible fixed assets, professional training expenses and short-term rental expenses. The amount is identified through the use of analytical accounting accounts. Expenses related to the routine maintenance of property, plant and equipment include periodic inspections, replacement of worn parts, cleaning and disinfection materials, and maintenance services required to maintain the efficient operation of equipment and the upkeep of buildings.

Other Taxonomy-relevant expenses (OpEx type C)

- Activity 6.5 “Transport by motorcycles, passenger cars and light commercial vehicles” consists of expenses related to the repair and maintenance of N1, M1 or electric vehicles – this represents 3.78% of total additions during the year.
- Activity 7.1 “Construction of new buildings” consists of the construction of a production and storage hall and a building with a social-administrative function – this represents 0.32% of total OpEx during the year.
- Activity 7.3 “Installation, maintenance and repair of energy efficiency equipment”, where mainly expenses related to servicing air-conditioning systems were recorded – this represents 1.15% of total OpEx during the year.

The structure of expenses did not undergo substantial changes during the year.

Table 1 Proportion of Turnover, CapEx and OpEx generated by products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – information provided as at 31 December 2025 (summary of key performance indicators – KPI)

Financial year31.12.2025															
Key performance indicators (KPIs) (1)	Total (2)	Taxonomically eligible proport activities (3)	Taxonomy-aligned activities (4)	Taxonomy-aligned activities (5)	The breakdown by environmental objectives of activities aligned with the Taxonomy						Facilitation of the Facilitation Inactivity(12)	Prty deactivitit idetransity (13)	Activitiesnot assessed as material(14)	Taxonomy-aligned activities inthe previous financial year (31.12.2024) (15)	Taxonomy-aligned propor tities in the previous financial year (31.12.2024) (16)
					Climate change mitigation(6)	Adaptation to climate change(7)	Water (8)	Circular economy(9)	Pollution (10)	Biodiversity (11)					
Text	thousand RON	%	LEI/RON	%	%	%	%	%	%	%	%	%	%	thousand RON	%
Turnover	5,513,252	100.00%	0	0%										0	%
CapEx - according to 2844/2016	863,338	87.74%	0	0%										0	0%
CapEx - according to IFRS	862,413	87.84%	0	0%										0	0%
OPEX	82,078	54.26%	0	0%										0	0%

Table 2 – Proportion of Turnover generated by products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – information provided as at 31 December 2025 (breakdown by activity)

Key performance indicators (KPIs) reported Turnover													
Financial year 31.12.2025													
Economic Activities (1)	Code (2)	Taxonomy-eligible KPIs (Proportion of/CapEx eligible for taxonomy) (3)	Taxonomy-aligned KPIs (Monetary Value in Turnover / CapEx / OpEx) (4)	Taxonomy-aligned KPIs (Taxonomy-aligned Proportion of Turnover, CapEx, OpEx) (5)	Environmental objective of taxonomy-aligned activities						Facilitation activity (12)	Transition Activities(13)	Proportion of taxonomy-aligned activities in taxonomy-eligible activities (14)
					Climate change mitigation (6)	Adaptation to climate change (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)			
Text		%	LEI/RON	%	%	%	%	%	%	%	(E - where applicable)	(T - where applicable)	%
Transmission and distribution of electricity	4.9 CCM	100.00%		%									0%
Sum of alignments per goal													
Total KPI Turnover		100.00%											0%

Table 2 – Proportion of CapEx generated by products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – information provided as at 31 December 2025 (breakdown by activity) – in accordance with Order 2844/2016

Key performance indicators (KPIs) reported CapEx													
Financial year 31.12.2025													
Economic Activities (1)	Code (2)	Taxonomy-eligible KPIs (Proportion of/CapEx eligible for taxonomy) (3)	Taxonomy-aligned KPIs (Monetary Value in Turnover / CapEx / OpEx) (4)	Taxonomy-aligned KPIs (Taxonomy-aligned Proportion of Turnover, CapEx, OpEx) (5)	Environmental objective of taxonomy-aligned activities						Facilitation activity (12)	Transition Activities(13)	Proportion of taxonomy-aligned activities in taxonomy-eligible activities (14)
					Climate change mitigation (6)	Adaptation to climate change (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)			
Text		%	LEI/RON	%	%	%	%	%	%	%	(E - where applicable)	(T - where applicable)	%
Urban and suburban transport, road passenger transport	4.9 CCM	82.93%											0%
Transport by motorcycles, passenger cars and light commercial vehicles	6.5 CCM	3.78%											0%
Construction of new buildings	7.1 CCM	0.16%											0%
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	0.87%											0%
Sum of alignments per goal													
Total CapEx KPIs		87.74%	0	0%									0%

Table 2 – Proportion of CapEx generated by products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – information provided as at 31 December 2025 (breakdown by activity) – in accordance with IFRS

Key performance indicators (KPIs) reported CapEx													
Financial year 31.12.2025													
Economic Activities (1)	Code (2)	Taxonomy-eligible KPIs (Proportion of/CapEx eligible for taxonomy) (3)	Taxonomy-aligned KPIs (Monetary Value in Turnover / CapEx / OpEx) (4)	Taxonomy-aligned KPIs (Taxonomy-aligned Proportion of Turnover, CapEx, OpEx) (5)	Environmental objective of taxonomy-aligned activities						Facilitation activity (12)	Transition Activities(13)	Proportion of taxonomy-aligned activities in taxonomy-eligible activities (14)
					Climate change mitigation (6)	Adaptation to climate change (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)			
Text		%	LEI/RON	%	%	%	%	%	%	%	(E - where applicable)	(T - where applicable)	%
Urban and suburban transport, road passenger transport	4.9 CCM	83.02%											0%
Transport by motorcycles, passenger cars and light commercial vehicles	6.5 CCM	3.79%											0%
Construction of new buildings	7.1 CCM	0.16%											0%
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	0.87%											0%
Sum of alignments per goal													
Total CapEx KPIs		87.83%	0	0%									0%

Table 2 – Proportion of OpEx generated by products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – information provided as at 31 December 2025 (breakdown by activity)

OPEX reported key performance indicators (KPIs)													
Financial year 31.12.2025													
Economic Activities (1)	Code (2)	Taxonomy-eligible KPIs (Proportion of/CapEx eligible for taxonomy) (3)	Taxonomy-aligned KPIs (Monetary Value in Turnover / CapEx / OpEx) (4)	Taxonomy-aligned KPIs (Taxonomy-aligned Proportion of Turnover, CapEx, OpEx) (5)	Environmental objective of taxonomy-aligned activities						Facilitation activity (12)	Transition Activities(13)	Proportion of taxonomy-aligned activities in taxonomy-eligible activities (14)
					Climate change mitigation (6)	Adaptation to climate change (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)			
Text		%	LEI/RON	%	%	%	%	%	%	%	(E - where applicable)	(T - where applicable)	%
Urban and suburban transport, road passenger transport	4.9 CCM	52.79%											
Transport by motorcycles, passenger cars and light commercial vehicles	6.5 CCM	0.32%											
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	1.15%											
Sum of alignments per goal													
Total KPI OPEX		54.26%	0	0%									0%

CHAPTER IV
Corporate Social Responsibility
ESRS S1–S4

1. In-house workforce (S1 1-17)

Significant impacts, risks and opportunities, and their interaction with the strategy and business model (SBM–3)

Transelectrica operates a critical national infrastructure, primarily of a technical nature, in which the continuity and safety of the public service depend directly on the availability and skills of the workforce.

At the same time, the Group's operational resilience is underpinned by subsidiaries with complementary roles, which extend the Company's critical capabilities. On the one hand, Teletrans acts as a telecommunications and information technology operator for Transelectrica and the telecommunications market, providing essential services for the operation, maintenance and development of IT&C systems (including components relevant to the monitoring and security of critical infrastructure), which makes the availability of specialist IT&C and cybersecurity skills crucial to business continuity. On the other hand, Smart provides maintenance, inspections, repairs and interventions on equipment within the electricity transmission networks, including incident response and specialised technical services; given the nature of its operations (technical field work, interventions and activities requiring authorisation/certification), reliance on a skilled workforce and a strong health and safety culture is directly linked to people's safety and the continuity of the NES's operation.

Consequently, the actual and potential impacts on the workforce identified during the IRO-1 process are intrinsically linked to the business strategy and model in two ways:

Impacts arising from or related to the strategy or business model

- *the need for a skilled and experienced workforce* stems directly from the role of the TSO and the complexity of operations and maintenance (including field work, high-voltage work, working at height, and variable weather conditions);
- *occupational health and safety (OHS)* has a significant impact, determined by the nature of operations, with potential consequences for employees in the absence of robust controls;
- *digitalisation/automation (Smart Grid, smart systems, digital tools)* has a significant impact on working practices (reorganisation of activities, new skills, changes in roles and processes);
- *Equal treatment and diversity* are key to the organisation's effective functioning and its appeal as an employer, particularly in a tight labour market.

Impacts that underpin the strategy and contribute to its adaptation

- The IROs relating to the shortage of skilled staff, the retention of key personnel and skills resilience influence strategic decisions regarding investment in training, educational partnerships, retention schemes and succession planning;
- Health and safety regulations and working conditions influence both the way operational activities are planned and investments in equipment, procedures, training and monitoring, in order to reduce risks and ensure the continuity of the NES;
- Digital transformation roadmaps influence the direction of organisational change (skills, culture, processes) so that the technological transition can be implemented without compromising operational performance and without posing additional risks to employees.

The relationship between risks/opportunities and strategy/business model. Significant risks and opportunities arise from the business model's reliance on human capital. At the same time, the way work is organised (including working hours) affects productivity, job satisfaction and absenteeism, with direct implications for operational capacity.

- **Risks:** shortage of skilled staff, difficulties in retaining key staff, occupational accidents and illnesses, resistance to change in the implementation of digitalisation, as well as vulnerabilities caused by extreme weather conditions for fieldwork. Attractive working conditions, together with the overall remuneration package, have a direct impact on recruitment and retention in critical technical roles.
- **opportunities:** improving efficiency and safety through digitalisation and automation; upskilling through continuous training; creating a more attractive and inclusive working environment; and enhancing organisational performance by strengthening the health and safety culture and talent management practices.

These elements are reflected in the IRO table for in-house staff (Impacts–Risks–Opportunities), which underpins management and reporting priorities.

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS S1	In-house workforce	Working conditions	Secure jobs	impact/risk	Negative impacts: potential workplace accidents, accidental pollution, operational disruptions, adverse effects on biodiversity in areas with electrical infrastructure
				impact	Positive impact: improving employee safety through safer working conditions and the prevention of workplace accidents
			Work-life balance	risk	Staff shortages in certain technical fields – if working conditions are not attractive, it may become difficult to recruit and retain the specialists who are essential to the system's operation
				opportunity	Creating a more attractive and inclusive working environment – modernising workplace infrastructure, adopting flexible policies and supporting a healthy work-life balance can improve employee satisfaction
			Health and safety	risk	Health and safety at work – the technical nature of the work involves high operational risks, which necessitates strict measures to protect employees and improve working conditions

				impact	The need to comply with strict health and safety standards at work – national and European regulations require compliance with specific rules for the prevention of workplace accidents and occupational diseases
				opportunity	Improving health and safety standards – by introducing new technologies, modern protective equipment and prevention programmes, accidents and occupational illnesses can be reduced
				opportunity	Continuous improvement of workplace safety and increased operational efficiency
				impact	The impact of working conditions on productivity and employee satisfaction – a safe, ergonomic and well-organised working environment contributes to staff motivation and retention, whilst inadequate conditions can lead to a decline in performance and increased absenteeism
				impact/risk	Negative impacts: potential workplace accidents, accidental pollution, operational disruptions, adverse effects on biodiversity in areas with electrical infrastructure
		Equal treatment and equal opportunities for all	Training and skills development	impact	The impact of digitalisation on the workplace – the introduction of new technologies can change the way we work, requiring adaptation to automated processes and the use of modern equipment
				opportunity	Improving efficiency through digitalisation and automation – reducing repetitive manual tasks and utilising advanced technologies can optimise processes and improve workplace safety
			Diversity	opportunity	Promoting diversity and enhancing our appeal as an employer – Implementing programmes focused on inclusion and equal opportunities can help attract and retain a diverse and talented workforce
					Ensuring equal treatment and equal opportunities for all employees contributes to an organisational culture based on respect, diversity and inclusion

Scope (inclusion). The Transelectrica Group includes within the scope of this presentation all members of its own workforce who could be significantly affected by its activities, in relation to its own operations and relevant business relationships. Specifically, the report covers Transelectrica employees and presents information on the subsidiaries included in the company's own workforce data set separately, as outlined in the chapter.

Types of employees/non-salaried workers affected. Based on the identified IROs, the main categories of people within the workforce who are affected (either actually or potentially) include:

- *employees (staff):* technical and operational staff (stations/lines/maintenance/emergency response), dispatch staff, IT&C/cyber specialists, engineers and support staff in critical processes;

- *non-salaried workers* (within the meaning of the practices described in this chapter): participants in work experience and internship schemes (work experience agreements), as well as persons provided by third-party companies for on-site services (e.g. outsourced activities), insofar as their work involves OHS risks and compliance requirements at Transelectrica sites.

Significant adverse impacts – typology. The significant adverse impacts identified for the company's own workforce are primarily linked to occupational risks and working conditions:

- potential incidents/accidents at work in high-risk activities (working at height, high-voltage equipment, extreme weather conditions);
- potential effects on health and safety at work in the absence of preventive measures, training and appropriate equipment. In the event of operational incidents, there may also be associated environmental impacts (e.g. accidental pollution), which can exacerbate the consequences for operational continuity. These environmental impacts are discussed in detail in the relevant environmental chapters (E2/E4), but are mentioned here as a factor associated with incidents that may also affect our own workforce. These are predominantly operational in nature and can manifest themselves both systemically (through the inherent exposure of certain roles) and through individual incidents, depending on the operational context.

Significant positive impacts – activities and people affected. The significant positive impacts identified include:

- *improving safety and working conditions* through investment in health and safety, training, standards and equipment;
- *skills development and modernisation* through training and professional development programmes, educational partnerships and mechanisms for integrating young professionals; Furthermore, digitalisation and automation can reduce repetitive manual tasks and optimise processes, contributing to both efficiency and safety in the workplace.
- *enhancing our appeal as an employer* through policies on fairness, inclusion and benefits, which have a positive impact on staff retention and satisfaction. Those who stand to benefit most are, in particular, technical and operational staff and specialists involved in digitalisation (IT&C), as well as those targeted by training and development programmes.

Significant risks and opportunities for the business arising from impacts/dependencies

- *significant risks:* a shortage of specialists, the retention of key staff, health and safety risks with the potential for operational disruptions and reputational damage, as well as resistance to change in the digital transformation.
- *significant opportunities:* operational efficiency and risk mitigation through digitalisation/automation; increased productivity and quality of execution through up-to-date skills; strengthening of health and safety performance and organisational culture, with a positive impact on service continuity.

Significant impacts from transition plans (green/climate-neutral operations). Plans and measures relating to grid modernisation, digitalisation and the energy transition may result in:

- *redefining roles* (more remote working, data analysis, cyber/IT requirements);
- *the need for reskilling/upskilling* among certain sections of the workforce, in order to operate new technologies and digital processes;
- *opportunities for job creation and transformation* in areas such as digitalisation, advanced maintenance, cybersecurity and data management.

Operations involving a significant risk of forced or compulsory labour. Based on the IRO assessment and the operational context (operations in Romania/the EU, employment relationships governed by legislation and the Collective Bargaining Agreement), no Transelectrica Group operations involving a significant risk of forced or compulsory labour have been identified in relation to its own workforce. Compliance monitoring and reporting/remedial mechanisms remain in place, and risks of this nature are also addressed through the relevant due diligence processes.

Operations involving a significant risk of child labour. Similarly, no operations involving a significant risk of child labour were identified within the company's own workforce. The work placement/internship programmes described are carried out within formal frameworks (agreements, educational partnerships) and in compliance with the applicable legal requirements.

Understanding increased vulnerability to harm (groups/activities/context). The Transelectrica Group has developed a specific understanding of its varied risk exposures, based on the nature of its activities and the working environments:

- *technical, operational and emergency response staff* are more exposed to health and safety risks (working at height, high-voltage equipment, extreme weather conditions);
- *staff in control rooms/critical operations* may be subject to operational pressures and require up-to-date skills, particularly in the context of digitalisation;
- *Staff groups affected by digitalisation* (technical and IT&C) may be at risk of struggling to adapt to or resisting change, and may require increased training.

This distinction supports the prioritisation of measures relating to prevention, training, equipment, standardisation and change management.

Risks/opportunities relating to specific groups versus the entire workforce. Some of the significant risks and opportunities relate specifically to particular groups, rather than to the entire workforce:

- *Health and safety and working conditions:* particularly for field roles (stations/lines/maintenance/emergency response) and staff exposed to extreme weather conditions;
- *digitalisation and changes to working practices:* particularly for technical and IT&C roles, as well as for functions that are shifting towards automated processes and data-driven operations;
- *retention of key staff:* focused on critical skills that are difficult to replace (specialists, experts, key roles in operations/maintenance/dispatching).

At the same time, opportunities for continuous professional development, the strengthening of the health and safety culture, and measures to promote equity and inclusion are relevant across the board and can apply to the entire workforce, with varying degrees of focus depending on the role.

Policies relating to the in-house workforce (S1-1)

The Transelectrica Group manages the significant impacts, risks and opportunities relating to its own workforce (in particular: health and safety at work, working conditions, adapting skills to digitalisation/automation, staff shortages/retention in technical fields, equal treatment and inclusion) through an integrated framework of policies, statements and internal procedures, in accordance with ESRS 2 MDR-P.

This framework applies to the entire workforce (Transelectrica Group employees; where applicable, including seconded staff), but includes more specific measures and requirements for groups exposed to different levels of risk/impact (for example: technical, operational and emergency response staff, critical operations/dispatch staff, IT&C/cyber specialists and staff involved in the operation/maintenance of infrastructure).

The main policies and tools used to manage S1 IROs at Transelectrica include:

- *Statement on the policy regarding quality management, the environment, and health and safety at work* (objective: a safe, fair and high-performing working environment);
- *Health and Safety Operational Procedures* (e.g.: PO TEL 00.24 – Drawing up and monitoring the prevention and protection plan in the field of occupational health and safety; PO TEL 18.04 – Assessing the level of risk of accidents and occupational diseases in the workplace);
- *Statement on the Risk Management Policy*, which also applies to human resources risks (shortage/retention, health and safety, adaptation to new technologies, etc.);
- The Code of Ethics and the associated internal framework (Internal Regulations/CCM), which set out rules of conduct, fair treatment, the prevention of misconduct, and reporting and remedial mechanisms;
- technical guidelines/policies that affect the workforce (the RET Development Plan 2024–2033, energy efficiency, Smart Grid), which necessitate skills adaptation and changes in working practices.

Teletrans manages the relevant IRPs for its own workforce through a set of policies and tools tailored to the specific nature of IT&C and information security activities, including:

- Integrated Management System (quality–environment–OHS) in accordance with SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR ISO 45001:2023, supplemented by the Information Security Management System in accordance with ISO/IEC 27001:2018 (relevant to competencies, work organisation and compliance requirements);
- internal procedures and controls for risk management and internal control, including the reassessment and management of risks in accordance with the internal risk management procedure (code TLT-PS-02) and the risk register.

Smart manages S1 IROs using tools focused on working conditions and health and safety, given the prevalence of technical field work (maintenance, inspections/repairs, interventions):

- The Integrated Management System (quality–environment–OHS) in accordance with ISO 9001:2015, ISO 14001:2015 and OHS standards (including the implementation of SR ISO

45001:2023 within the integrated management policy), with objectives to reduce the risk of injury/illness and to ensure continuous improvement;

- the risk management system and internal management controls, which aim to prevent and manage risks and ensure the effectiveness of operations;
- training measures and programmes/health and safety at work.

Human rights policy commitments (in-house workforce); monitoring, collaboration, remediation. The Transelectrica Group bases its commitments regarding human rights relevant to its workforce on its internal governance and conduct framework, centred on respect, integrity, accountability, transparency and social responsibility, as well as on maintaining a working environment based on mutual respect and civilised behaviour in the workplace, in accordance with the Internal Regulations and the Collective Bargaining Agreement.

At Transelectrica, monitoring of compliance with conduct and ethical requirements is supported by roles and mechanisms set out in the Code of Ethics, including: The Ethics Officer, who oversees the development and implementation of procedures to ensure compliance with the Code; provides clarification and ethical guidance; records requests in a dedicated register and responds within a maximum of 10 working days; the annual assessment carried out by the Ethics Advisor regarding the implementation and effectiveness of the Code's requirements, with reporting to the Board and Internal Audit.

Engagement with the in-house workforce is supported by channels for seeking clarification and reporting issues relating to ethics and conduct, and by management's responsibility to ensure that employees and secondees under their supervision are aware of and comply with the Code.

Addressing human rights impacts (including breaches of codes of conduct/ethics, discrimination, harassment, and deviations from internal policies) is ensured through mechanisms for reporting, analysing and resolving complaints, and through the application of corrective or disciplinary measures, as appropriate:

- Reports of breaches of the code of ethical conduct should be submitted in writing to *etica@transelectrica.ro*, which is managed by the Ethics Officer;
- Reporting as a *whistleblower in the public interest, including anonymously, is carried out via the dedicated channel departamentanticoruptie@transelectrica.ro*, managed by the Anti-Corruption and Integrity Department (Legal and Litigation Directorate), in accordance with the internal procedure "Whistleblower in the Public Interest";
- Reports are treated *confidentially*, and individuals who report in good faith are protected against pressure or reprisals;
- Failure to comply with the Code may result in disciplinary, financial, civil or criminal liability, and where criminal offences are suspected, the matter may be referred to the competent authorities.

Aligning policies with international instruments (UNGP/IOM/OECD). Transelectrica Group's policies and practices regarding its own workforce are aligned, in terms of commitment and framework, with the relevant international instruments (the ILO Declaration and the OECD Guidelines). Alignment is addressed at the level of governance and conduct, and its translation into operational criteria and procedures explicitly defined as 'direct alignment' is continuously reinforced, in line with the approach communicated to the auditor (particularly in the context of value chain due diligence).

Furthermore, the Code of Ethics stipulates that the receipt, review and resolution of reports must be carried out in accordance with OECD best practices in the areas of internal controls, ethics and compliance.

Human trafficking, forced or compulsory labour, and child labour. With regard to human trafficking, forced or compulsory labour and child labour, the Transelectrica Group operates within a framework of labour relations governed by national and European legislation, and internal policies and procedures on conduct and compliance (including the Code of Ethics and reporting channels) are designed to prevent, deter and ensure that such practices are not tolerated within its own workforce. At Transelectrica, any concerns can be reported via the designated channels (etica@transelectrica.ro / whistleblowing channel); they are treated confidentially, with protection against retaliation, and may lead to corrective or disciplinary measures and, where appropriate, to a report being made to the relevant authorities.

Accident prevention policy / management system. Transelectrica has a policy framework and a management system in place for the prevention and management of workplace accidents, as set out in the Policy Statement on Quality, Environment, Health and Safety at Work and in the internal OHS operational procedures, including PO TEL 00.24 (Development and monitoring of the occupational health and safety prevention and protection plan) and PO TEL 18.04 (Assessment of the risk level of accidents and occupational diseases in the workplace). This framework supports the identification and assessment of risks, preventive and protective measures, monitoring and the continuous improvement of working conditions, in accordance with national and European regulations.

At the Teletrans and Smart subsidiaries, the prevention and management of workplace accidents are covered by the Integrated Management System, which includes an occupational health and safety (OHS) component in accordance with SR ISO 45001:2023, ensuring the identification and assessment of risks, preventive and protective measures, regular training, monitoring of OHS performance and continuous improvement of working conditions, in accordance with applicable regulations.

Policies on the elimination of discrimination (including harassment), equal opportunities, diversity and inclusion; grounds; vulnerable groups; implementation. The Transelectrica Group implements internal policies and rules designed to eliminate discrimination, including harassment, and to promote equal opportunities and fair treatment, through its Code of Ethics and internal employment framework (Internal Regulations/Collective Bargaining Agreement), as detailed in section G1-1. The Code of Ethics includes explicit obligations for management to ensure equal opportunities and treatment in career development and prohibits favouritism or discrimination on discriminatory grounds.

Grounds for discrimination. The internal framework applies to all grounds of discrimination protected under national and European Union law (including those set out in the relevant regulations), with the aim of preventing any discriminatory practices in employment relations.

Inclusion / positive action for vulnerable groups. The Transelectrica Group promotes inclusion and equal opportunities as principles of human resources management, and where specific needs are identified for vulnerable groups (e.g. people with disabilities), measures are addressed within human resources practices and processes and applicable working conditions (in accordance with the relevant legal framework and recruitment/retention objectives).

Implementation through procedures (prevention, mitigation, measures upon detection; promotion of diversity and inclusion). The implementation is supported by:

- management's responsibility to ensure that staff are familiar with and comply with the Code of Ethics;
- whistleblowing channels (ethics channel and whistleblower channel), confidentiality and protection against retaliation;
- investigating and resolving complaints and applying disciplinary or corrective measures, as appropriate, including reporting matters to the competent authorities where the facts constitute a criminal offence.

Processes for engaging with the workforce and employee representatives regarding impacts (S1-2)

The Transelectrica Group uses a structured framework for engaging with its workforce to identify, prevent, mitigate and manage actual and potential impacts on employees, particularly in the key areas highlighted in the IRO analysis (working conditions, health and safety at work, working hours, skills development in the context of digitalisation, attractiveness/retention, equal treatment and inclusion). Collaborative processes are underpinned by the Internal Regulations and the Collective Bargaining Agreement (CCM), which set out rights and obligations and include mechanisms for social dialogue, consultation and negotiation.

The role of labour market outlooks in decisions and activities relating to impact management

- a) *method of consultation (direct / through representatives)* – consultation takes place both directly with employees and through workers' representatives (trade unions / employee representatives), depending on the nature of the issues addressed; issues with a collective impact on working conditions (e.g. rights/benefits, working hours, general conditions, measures affecting staff) are primarily dealt with through representatives, whilst operational and compliance issues (e.g. (health and safety, conduct, complaints) can also be dealt with directly, including via reporting channels.
- b) *stages, type of collaboration and frequency* – collaboration is integrated into several stages of impact management:
 - identification and reporting: gathering concerns and observations arising from day-to-day operations (either directly or through representatives) and via reporting channels;
 - consultation and negotiation: social dialogue and collective bargaining within the framework of the CCM and its addenda;
 - decision-making and implementation: incorporating the findings into measures relating to working conditions, health and safety, training programmes and other initiatives affecting employees;
 - monitoring and improvement: tracking recurring issues and the measures taken over time.

The frequency of collaboration includes:

- regular mechanisms (e.g. within the framework of social dialogue and the operation of the Joint Management Committee);
 - ad hoc meetings, “whenever deemed necessary” by management or the trade unions, depending on the issues that arise (e.g. Health and Safety at Work, work organisation, training/development, operational changes); the Collective Bargaining Agreement and its addenda are made available to employees via the intranet.
- c) *the role of the most senior manager* – at the level of each Group entity, executive management is responsible for ensuring that processes for engaging with employees are integrated into the entity’s approach and that major workforce decisions are aligned with strategy and operational continuity; at operational level, the Human Resources Director coordinates the implementation of collaboration, facilitating social dialogue, collective bargaining and measures to improve working conditions, health and safety, and employee development;
- d) *global framework agreement / human rights agreements* – The Transelectrica Group uses the CCM and its addenda as the primary instrument for regulating rights, obligations and working conditions, and as a mechanism for social dialogue with employee representatives; in the absence of a global framework agreement, the CCM remains the main framework for gathering the views of its own workforce on relevant issues;
- e) *assessment of the effectiveness of cooperation* – the effectiveness of cooperation is measured through outcomes and performance indicators of social dialogue (e.g. the ability to resolve disputes through negotiation/mediation, the avoidance of conflict escalation and the maintenance of business continuity); in 2025, the absence of strikes and significant issues reported by employees is interpreted as the result of effective dialogue and open communication, which helps prevent disruption to the public service provided.

Measures to understand the perspectives of particularly vulnerable people. The Transelectrica Group aims to understand the perspectives of those who may be more severely affected, depending on their working environment and the nature of their work. In particular, the following are taken into account:

- *technical, operational and emergency response staff* (high exposure to health and safety risks);
- *staff in critical operations/dispatching* (operational pressure and high skill requirements);
- *sectors affected by digitalisation* (requiring adaptation and training);
- *people who may have specific vulnerabilities* (for example, from an inclusion perspective).

Feedback from these groups is gathered both through social dialogue and consultation channels, as well as through reporting mechanisms and by involving the relevant departments (particularly Human Resources and Health and Safety), depending on the issue.

Processes for addressing negative impacts and the channels through which staff can raise their concerns (S1-3)

The general approach and processes for remediation; assessment of the effectiveness of the remediation. The Transelectrica Group adopts a structured approach to addressing significant adverse impacts on its own workforce where it has caused or contributed to such impacts (for

example, breaches of codes of conduct, discrimination/harassment, or non-compliance with internal requirements or the applicable legal framework). The issue is addressed through internal reporting, investigation and resolution mechanisms, involving the imposition of corrective and/or disciplinary measures, as appropriate, and referral to the competent authorities where the facts may constitute a criminal offence.

The effectiveness of the remedial action is monitored by: (i) resolving the case and communicating the response to the complainant in accordance with the applicable framework; (ii) implementing corrective/disciplinary measures, where appropriate; and (iii) preventing recurrence, including by improving internal practices, updating training and/or clarifying the relevant internal rules.

Dedicated channels for raising concerns and addressing them. Our staff have access to channels for raising concerns or expressing needs, including:

- the channel for reporting breaches of the code of ethical conduct (via the dedicated email address managed by the ethics department);
- a dedicated channel for whistleblowers acting in the public interest, including the option to report anonymously, with confidentiality guaranteed and protection against retaliation;
- the right to petition as provided for in the Internal Regulations, exercised by submitting written reports and complaints to office@transelectrica.ro or to the Company's registry office.

These channels have been established by Transelectrica as internal mechanisms for receiving, recording, analysing and resolving complaints.

At branch level, staff have the opportunity to raise concerns or needs through internal reporting and resolution channels, in accordance with the applicable internal framework (Internal Regulations/Collective Bargaining Agreement and specific procedures), and, where appropriate, may also use the channels established at Group level for reporting breaches of ethical conduct standards and for whistleblowing in the public interest, with confidential treatment and protection against retaliation.

The existence of a complaints-handling mechanism. The Transelectrica Group has mechanisms in place for resolving complaints relating to personnel matters, through:

- the internal reporting and resolution mechanism associated with the ethics and whistleblowing channels;
- the petition mechanism provided for in the Rules of Procedure (entry in the relevant register and a response within the statutory time limit);
- the disciplinary mechanism, including the Disciplinary Committee, for the investigation and sanctioning of breaches, in accordance with the Labour Code and internal regulations.

Processes to support the availability of channels in the workplace. Channel availability is supported by:

- informing employees about their obligations regarding conduct and the procedures for reporting concerns (including through the applicable internal framework and internal communications);
- employees' access to the Internal Regulations and the Collective Bargaining Agreement (CCM)/addenda, which set out rights and obligations as well as mechanisms for dialogue and submitting grievances;

- the existence of a dedicated channel for ethical concerns and a dedicated channel for whistleblowers, available to the company's own workforce.

Tracking and monitoring issues; ensuring the effectiveness of communication channels.

The Transelectrica Group tracks and monitors the issues raised through:

- the recording and management of complaints within internal mechanisms (including the complaints register provided for in the Internal Regulations);
- case analysis, determining appropriate measures and monitoring their implementation (including corrective/disciplinary measures).

Awareness of and confidence in reporting channels; protection against retaliation. The Transelectrica Group aims to ensure that its workforce is familiar with and feels confident in using these channels, by incorporating them into its code of conduct and compliance framework and by guaranteeing the confidentiality of reports. The company has policies in place to protect against retaliation against individuals who use these channels in good faith, including whistleblowers, so that no one is subjected to pressure or harm as a result of a report made in accordance with the internal framework.

The adoption of measures addressing significant impacts on the organisation's workforce and approaches to managing significant risks and pursuing significant opportunities relating to the organisation's workforce, as well as the effectiveness of these actions (S1-4)

The Transelectrica Group is committed to providing a safe, attractive and high-performing working environment for its employees, implementing recognised international standards to ensure quality, sustainability and safety in the workplace. To this end, the Transelectrica Group implements the requirements of SR EN ISO 9001:2015, which ensures effective quality management focused on continuous process improvement and employee satisfaction. At the same time, the Transelectrica Group implements SR EN ISO 14001:2015, a standard that supports the development of an effective and sustainable environmental management system, helping to minimise the impact on the environment. With regard to employee protection, the Group's entities are implementing ISO 45001:2023, a standard dedicated to occupational health and safety, designed to reduce operational risks and create a safe environment that complies with international regulations.

In accordance with the policy on quality management, the environment, and occupational health and safety, the Transelectrica Group's development strategy has as its fundamental objective the fulfilment of the needs and expectations of its stakeholders, including its employees. To this end, the Integrated Management System is implemented, maintained and continuously improved in accordance with international standards, ensuring safe and healthy working conditions, the professional development of staff, and an organisational environment that fosters the active involvement and consultation of employees.

The Transelectrica Group is therefore committed to providing safe and healthy working conditions to prevent accidents and occupational illnesses, to reducing its environmental impact through the use of the best available technologies, and to promoting sustainable development.

The Transelectrica Group is implementing concrete measures and proactive strategies to manage significant impacts on its workforce, given the technical nature of its operations, the high skill requirements and operational safety. As such, the Group's entities invest in continuous professional development, offering employees access to specialist training programmes designed to enhance their technical skills and adaptability to new technologies in the energy sector.

In the event of a significant actual adverse impact on its own workforce, the Group ensures that this is addressed through the processes and channels described in section S1-3 (reporting, analysis, resolution, corrective/disciplinary measures and, where appropriate, escalation to the competent authorities).

At the same time, the Transelectrica Group promotes equal opportunities and diversity, ensuring an inclusive and respectful working environment for all employees.

To mitigate the risks associated with the shortage of skilled staff, a number of strategic measures are being implemented, focusing on vocational training, attracting young professionals and retaining experienced staff. These measures include:

- vocational training programmes – training sessions are held to enhance employees' skills, including technical, procurement and integrated management courses;
- private scholarships – scholarships are offered to students in technical fields, thereby facilitating their recruitment upon graduation;
- work placements and internships – students and pupils in the energy sector are offered work placements to familiarise themselves with activities in the field, which helps to attract new talent;
- Recruitment of scholarship recipients – at Transelectrica, graduates who have received scholarships are recruited, subject to availability, and are required to remain with the Company for at least three years;
- Retaining qualified staff – through a fair remuneration system, performance-based promotions and various benefits (health insurance, pension contributions, holiday entitlements), the Transelectrica Group aims to ensure workforce stability.

	Attracting young professionals to Transelectrica			
	Private scholarships	Scholarships to support students in dual-track education	Work placements	Employment following work placements/scholarships
Transelectrica				
Number of people	4 students	11 school pupils and 35 university students	188 students (54 university students and 134 school pupils)	8 scholarship students
Beneficiaries	Students from technical faculties, such as: Politehnica of Timișoara, Faculty of Electrical and Power Engineering, specialising in "Power	Students from the "Gheorghe Airinei" Technical College of Post and Telecommunications in Bucharest Undergraduate and postgraduate students from the Faculty of Energy Engineering, the	Constanța Energy High School University of Civil Engineering – Faculty of Electrical Engineering The University of Technology in Cluj-Napoca – Faculty of Electronics,	Students who receive a private study grant from Transelectrica are offered employment with the Company upon completion of their studies, subject to the availability of vacancies, and are required to remain with the Company for a minimum of three years

	Engineering and Information Technology" Politehnica University of Timișoara, Faculty of Electrical and Power Engineering, specialising in "Power Systems Engineering"	National University of Science and Technology – Polytechnic University of Bucharest	Telecommunications and Information Technology Ovidius University University of Craiova Faculty of Electrical Engineering Technical University of Cluj-Napoca "Electromures" Technical High School, Târgu Mureș Faculty of Engineering – "Vasile Alecsandri" University of Bacău, Faculty of Electrical Engineering, Energy and Applied Computer Science – "Gheorghe Asachi" Technical University of Iași Politehnica University of Timișoara, Faculty of Electrical and Power Engineering	
Benefits	Students have the opportunity to learn about and familiarise themselves with Transelectrica's field of activity	The development and/or revision of qualifications tailored to the needs of the labour market, as well as a dual-track university degree programme in the energy sector	Introducing students to Transelectrica's field of activity	Transelectrica ensures a steady supply of technical talent by selecting students with strong academic records and training them to meet its operational needs
	The employment of scholarship holders, upon completion of their studies, in a post commensurate with their professional training, subject to the availability of vacancies	Objective: to provide initial vocational education and training within the dual system by developing partnerships between educational institutions and businesses	Attracting potential candidates for vacant positions	Reducing recruitment and onboarding time and costs – as the scholarship holders are already familiar with Transelectrica's operations, they require less time to settle in and undergo training after being hired
	Improving communication with specialist higher education institutions		Staff involvement in the induction of pupils and students as part of the practical training programme	Increasing staff retention and stability

At Teletrans, just one student from the Faculty of Energy Engineering at the National University of Science and Technology – Polytechnic University of Bucharest undertook a work placement.

At Smart, six students undertook work placements:

- from technical faculties and energy-related secondary schools, such as: Politehnica University of Timișoara, Faculty of Electrical and Power Engineering, Electrical Engineering;
- from technical faculties and energy-related secondary schools, such as: Vasile Alecsandri University of Bacău, Vocational Training and Development Society;
- students from other faculties, as follows: Titu Maiorescu University, Faculty of Law; University of Bucharest, Faculty of Foreign Languages and Literatures.

These initiatives help to reduce staff turnover and maintain a high level of expertise within the Group.

The Transelectrica Group has developed clear and effective operational procedures covering training and professional development, recruitment and selection, career progression and promotion, as well as financial incentives, with the primary aim of ensuring an optimal framework for mitigating risks associated with its workforce. These measures are essential for retaining a skilled and experienced workforce, preventing skills shortages, and boosting staff motivation and retention. Through its continuing professional development programmes, the Group supports the development of technical skills and adaptation to new technological requirements, thereby ensuring a smooth transition towards digitalisation and the modernisation of the energy infrastructure. At the same time, recruitment and promotion policies are designed to attract highly qualified specialists, and financial incentive schemes help to recognise performance and maintain a motivating organisational culture. Through this integrated approach, the Transelectrica Group minimises the risks associated with a shortage of skilled staff, staff turnover and adapting to changes in the energy sector, thereby strengthening operational stability and efficiency.

In terms of significant opportunities, the Transelectrica Group is focusing on modernising its infrastructure and adapting its workforce's skills to the new demands of the energy transition. The development of smart grids and the integration of renewable energy sources offer employees the opportunity to gain advanced expertise and adapt to a constantly evolving sector.

At the same time, the Transelectrica Group maintains an ongoing dialogue with employee representatives, thereby ensuring a process of continuous improvement aimed at optimising working conditions and maximising the potential of its human resources.

The Transelectrica Group aims to ensure that its own practices do not cause or contribute to significant adverse impacts on its workforce by integrating health and safety requirements and internal rules into the planning and execution of activities, including digitalisation projects and the use of operational data (e.g. remote operation/Smart Grid). Where there is a conflict between operational objectives (deadlines, availability) and the prevention or mitigation of impacts, the Group prioritises compliance with safety requirements, the internal framework and legal obligations.

The necessary actions are identified through a process that combines risk assessment (including occupational health and safety), the results of monitoring and inspections, and feedback from social dialogue and reporting channels; based on this input, action plans, responsibilities and deadlines are established, with implementation monitored.

Actions to be taken in 2025 to mitigate negative impacts and capitalise on opportunities			Opportunities seized		
The shortage of skilled workers in the labour market	Accidents at work	Working conditions for categories of workers exposed to extreme weather conditions	Developing and updating skills through continuous professional development	Improving workplace safety and increasing operational efficiency	Creating a more attractive and inclusive working environment
Investment in training and professional development – The Transelectrica Group has run ongoing training programmes to develop the advanced technical skills essential for the operation of critical infrastructure	Training and certification – all employees have attended specialist courses on health and safety at work, including working at height and handling high-voltage equipment	Heat protection equipment – providing special equipment to protect employees exposed to extreme temperatures, both in summer and winter	An increase in the number of training hours per employee	Improving the efficiency of maintenance processes	Increasing employee satisfaction by improving the benefits offered under the collective agreement
Educational partnerships – partnerships have been established with universities and vocational training institutions to attract young talent and facilitate their integration into the energy sector	Monitoring and control – implementing a system of regular checks and inspections to identify and prevent operational risks		Developing new skills in digitalisation and remote working to reduce workplace risks		Reducing the gender pay gap, in line with the targets set out in the Management Plan

The effectiveness of these measures is assessed through regular monitoring of relevant indicators and outcomes (e.g. health and safety outcomes, implementation of measures arising from inspections/audits, participation in training and meeting skills needs, as well as feedback from social dialogue), and the measures are adjusted in line with the findings of these assessments.

To implement these measures, the Transelectrica Group allocates organisational and operational resources (roles/structures within the OHS and Human Resources departments, training time, equipment and inspections), as well as resources for training programmes, scholarships, work placements and retention initiatives, so that the management of significant impacts and risks is commensurate with the critical role of the workforce in ensuring operational continuity.

Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities (S1-5)

The management plan sets out a series of non-financial/non-commercial indicators that have a direct impact on employees, as well as target figures broken down by each year of the term of office of the members of the Management Board and the Supervisory Board.

The targets set out below are defined in the Management Plan and are monitored annually throughout the term of office (2024–2028), with the aim of managing significant impacts and risks on the workforce (occupational health and safety, skills/digitalisation, equity) and promoting positive impacts (professional development, inclusion). The scope of the indicators covers Transelectrica’s own workforce (employees), and responsibility for monitoring and reporting lies with the Human Resources and Health, Safety and Environment (HSE) departments, with reporting carried out within the Company’s governance mechanisms, in accordance with the Management Plan.

In the process of setting these objectives, the employees’ perspective was taken into account through the double materiality assessment, which included the evaluation of impacts, risks and opportunities relevant to the company’s own workforce, based on the information collected and analysed within this framework.

Transelectrica’s non-financial/non-commercial indicators are divided into two main categories: employees and customers, each reflecting key aspects for the Company’s sustainable development. The ‘Employees’ category comprises three key areas: professional development, measured by the average number of training hours per employee, which is essential for enhancing the workforce’s skills and adaptability; the gender pay gap, which highlights the company’s commitment to pay equity and inclusion; and occupational health and safety, a critical aspect for protecting employees exposed to high operational risks. The customer category focuses on the retention rate—an indicator of the stability of business relationships and confidence in the services provided—and the satisfaction score, which reflects customers’ perceptions and experiences regarding the company’s performance. These indicators help to monitor operational efficiency and social responsibility, thereby reinforcing a sustainable and performance-oriented business model.

The target-setting process took into account the strategic priorities set out in the Management Plan.

Number of training hours per employee

Category	Indicator	Raw data	MU	Formula
Employee-related indicators	Average number of training hours per employee	Total number of training hours Total number of employees	Number	$\text{Average number of training hours per employee} = \frac{\text{Total number of training hours}_t}{\text{Total number of employees}_t}$

Indicator	2025	2026	2027	2028
Average number of training hours per employee	18.00	18.50	19.00	19.50

The pay gap between female and male employees

Category	Indicator	Raw data	MU	Formula

Gender equality	The pay gap between female and male employees	The average monthly salary of male employees The average monthly salary of female employees	%	$\text{Gender pay gap}_t = \frac{\text{Monthly average male salary}_t - \text{Monthly average female salary}_t}{\text{Monthly average male salary}_t}$

Indicator	2025	2026	2027	2028
The pay gap between female and male employees	0.50%	0.25%	0%	0%

Number of safety training sessions

Category	Indicator	Raw data	MU	Formula
Employee-related indicators	Number of safety training sessions	The total number of safety training sessions carried out during the year	Number	$\text{Number of safety trainings}_t = \text{Total number of safety trainings during the year}$

Indicator	2025	2026	2027	2028
Number of safety training sessions ¹⁶	5.0	5.0	5.0	5.0

At branch level, the relevant targets for managing negative impacts and promoting positive impacts on the workforce are set out in each company's management plans, with multi-year targets and regular monitoring within the governance mechanisms (Board of Directors/Chief Executive Officer), in line with the non-financial indicators set out in the management contracts. For Teletrans (2025–2028), the management plan sets out non-financial indicators relevant to employees, including annual targets for the average number of training hours per employee and 'yes/no' indicators regarding the establishment of an employee safety system and the formulation of risk management policies, with progress tracking integrated into the management's reporting/monitoring cycle. For Smart S.A. (2025–2028), the plan includes non-financial targets/indicators directly linked to the workforce, such as the average number of training hours per employee (40 per year) and the staff turnover rate (maximum 7%), as well as 'yes/no' indicators regarding the establishment of a safety system and risk management policies.

Performance against targets is monitored annually, based on the primary data defined for each indicator, and the results are analysed internally by the relevant departments. Where appropriate, the relevant conclusions are also discussed within the framework of social dialogue with employee representatives, particularly in relation to measures affecting working conditions, training and fairness.

¹⁶ Training on occupational health and safety (OHS).

The Transelectrica Group's current framework for quality management, environmental management, occupational health and safety, and human resources provides a robust set of measures and commitments to ensure employee safety, improve working conditions and support professional development.

Based on the annual results, the Transelectrica Group identifies lessons learnt and necessary improvements (for example, adjusting training programmes, prioritising certain areas of competence, strengthening health and safety training, or measures to promote equity), and these adjustments are incorporated into the planning of subsequent implementation cycles and into initiatives discussed with employee representatives, where relevant.

The Group's approach to its employees is adaptive, prioritising compliance with applicable legislation at both national and international levels, whilst maintaining a framework of targets and indicators that can be updated, if necessary, in line with regulatory developments and the operational context.

At present, strategic workforce objectives are managed through internal policies and operational procedures. The Transelectrica Group remains committed to continuous improvement, constantly monitoring and evaluating its performance in the area of human resources management and taking proactive measures where necessary.

The Transelectrica Group aims to improve and diversify its staff training programmes, ensuring that employees have the necessary skills to meet the technological and operational challenges facing the energy sector.

At the same time, the Group aims to expand and strengthen its programmes for attracting young professionals by developing strategic partnerships with universities and technical education institutions. These initiatives will not only facilitate the recruitment of future specialists, but will also contribute to their swift and effective integration into the organisational structure, ensuring the transfer of knowledge and maintaining a high level of professional competence in the energy sector. For the 2025 reporting year, the Transelectrica Group maintained a flexible human resources management system, focusing on proactive measures designed to ensure operational continuity and the professional development of its employees. Consequently, emphasis was placed on staff training and development, with specialised courses organised to enhance technical and managerial skills, alongside internal and external training programmes.

Characteristics of the company's employees (S1–6)

The Transelectrica Group operates with a highly trained and specialised workforce, which is essential for ensuring continuity and safety in the energy sector, who carry out their activity exclusively in Romania. The structure and dynamics of the workforce reflect a balance between the experience of long-serving employees and the integration of new specialists, achieved through dedicated training programmes and initiatives to attract talented young people. The Group places particular emphasis on the professional development of its employees, promoting a fair, diverse and high-performing working environment, underpinned by competitive remuneration policies, opportunities for advancement and a benefits package tailored to their needs. These factors help to maintain a high level of competence and organisational stability, which are essential for the smooth running of critical operations in the energy sector.

Number of Group employees by geographical region			
	Area	2024	2025
Transelectrica	Executive	503 people	492 people
	DEN	189 people	189 people
	STT Bacău	142 people	141 people
	STT Bucharest	198 people	195 people
	STT Cluj-Napoca	151 people	154 people
	STT Constanta	169 people	170 people
	STT Craiova	184 people	182 people
	STT Pitești	150 people	150 people
	STT Sibiu	155 people	159 people
	STT Timisoara	185 people	186 people
	TOTAL	2026 people	2018 people
Teletrans	Executive	132	31 people
	Bacau	21	18 people
	Craiova	21	21 people
	Timisoara	19	19 people
	Cluj	10	18 people
	Constanta	9	9 people
	Pitesti	10	8 people
	Sibiu	20	11 people
	TOTAL	242 people	235 people
Smart	Executive	87 people	62 people
	SM Bacău	51 people	51 people
	SM Bucharest	32 people	63 people
	SM Cluj	54 people	55 people
	SM Constanta	73 people	70 people
	SM Craiova	70 people	72 people
	SM Pitești	71 people	69 people
	SM Sibiu	87 people	84 people
	SM Timisoara	75 people	74 people
	TOTAL	600 people	600 people
GROUP	TOTAL CONSOLIDATED	2868 people	2853 people

* During the reporting period, the Group's employees carried out their work in Romania.

Group	Gender	2024		2025	
Transelectrica	Male	1452	71.66%	1441	71.41%
	Female	574	28.34%	577	28.59%
	Total	2026	100%	2018	100%
Teletrans	Male	174	72%	169	72%
	Female	68	28%	66	28%
	Total	242	100%	235	100%
Smart	Male	437	72.83%	436	72.67%
	Female	163	27.17%	164	27.33%
	Total	600	100%	600	100%
CONSOLIDATED TOTAL		2868		2853	

Although the gender breakdown of the workforce reflects the technical nature of the Group's activities, both the Company and its subsidiaries Teletrans and Smart promote equal opportunities and diversity within the organisation, implementing measures for inclusion and professional development designed to ensure a fair working environment and equal opportunities for all employees, regardless of gender.

Employee data is reported as headcount at the end of the reporting period (31 December 2025), with the exceptions explicitly stated in the text. In addition, where relevant, the Company provides information on the breakdown of working hours (number of full-time and part-time employees), also in terms of headcount. FTE (full-time equivalent) is defined as the ratio of the actual hours worked by an employee to the standard working hours of a full-time employee, aggregated at company level (for example, two employees working 0.5 FTE each count as 1 FTE); in this section, the indicators are presented predominantly as headcount, and FTE can be determined, where applicable, on the basis of information on working hours.

Employees by type of contract, broken down by gender as at 31 December 2025

Transelectrica					
Year 2025	Female		Male		Total
Number of employees	577	28.59%	1441	71.41%	2018
Number of permanent staff	574	28.65%	1429	71.35%	2003
Number of temporary staff	3	20%	12	80%	15
Number of employees on a flexible working schedule	0	0%	0	0%	0
Number of full-time employees	574	28.52%	1438	71.48%	2012
Number of part-time employees	3	50%	3	50%	6

In terms of staff turnover, 62 people were hired in 2025, whilst 83 left the Company; the average age of all employees as at 31 December 2025 was 49.

In 2025, 21 women and 15 men were on parental leave, benefiting from the relevant provisions in both the Labour Code and the Collective Bargaining Agreement.

Teletrans					
Year 2025	Female		Male		Total
Number of employees	66	28%	169	72%	235
Number of permanent staff	66	28%	169	72%	235
Number of temporary staff	0	0	0	0	0
Number of employees on a flexible working schedule	0	0	0	0	0
Number of full-time employees	63	28%	166	72%	229
Number of part-time employees	3	50%	3	50%	6

In terms of staff turnover, 34 people were recruited in 2025 – 19 were hired and 15 employees were transferred from FORMENERG following the merger, whilst 40 people left the Company, with the average age of all employees as at 31 December 2024 being 47 years.

In 2025, no employee took parental leave, meaning that no one benefited from the relevant provisions in either the Labour Code or the Collective Bargaining Agreement.

Smart					
Year 2025	Female		Male		Total
Number of employees	164	27.33%	436	72.67%	600
Number of permanent staff	161	27.20%	431	72.80%	592
Number of temporary staff	3	37.50%	5	62.50%	8
Number of employees on a flexible working schedule	0	0%	0	0%	0
Number of full-time employees	159	26.92%	431	73.08%	590
Number of part-time employees	5	3.04%	5	1.15%	10

In terms of staff turnover, 44 people were recruited by Smart in 2025, whilst 44 left the company; the average age of all employees as at 31 December 2025 was 49.

In 2025, 3 women and 3 men were on parental leave, benefiting from the relevant provisions in both the Labour Code and the Collective Bargaining Agreement.

Fluctuations in the number of employees over the period are mainly influenced by:

- the recruitment required to fill technical roles and critical skills;
- natural attrition (resignations/retirements);
- features such as parental leave and internal mobility.

These elements are provided as contextual information to aid in the interpretation of staff indicators.

The employee turnover rate is calculated as the ratio of the number of employees who left the Company during the reporting period to the average number of employees over the same period. The average number of employees is calculated as the arithmetic mean of the number of employees at the start of the period and the number of employees at the end of the period.

Employee turnover rate at Group level					
Transelectrica		Teletrans		Smart	
2024	2025	2024	2025	2024	2025
69 employees who have left / 2022 average number × 100	89 employees have left / 2022 average × 100	64 employees who have left / 580 average number × 100	40 employees have left / 241 × average × 100	8 employees who have left / 236 average number × 100	44 employees have left / 580.8 × average × 100
3.41%	4.40%	11.03%	16.59%	3.39%	7%

The number of employees reported in this section is consistent with the information on staff presented in the Group's financial statements (separate/consolidated) for the financial years ended 31 December 2024 and 31 December 2025.

Characteristics of non-salaried workers within the business's in-house workforce (S1-7)

The Transelectrica Group runs annual programmes aimed at attracting and developing skills among young people (work placements and private scholarships), through which participants gain an understanding of the energy sector and acquire practical experience under the guidance of the Group's specialists. Participants in these programmes are not employed under individual employment contracts, but carry out their work on the basis of programme-specific arrangements (for example, work placement agreements concluded between Group entities and educational institutions for internships), which is why, for the purposes of this disclosure, they are treated as non-salaried workers and are not included in the total number of employees reported in S1-6.

The total number of non-salaried workers and their categories. During the 2025 reporting period, the Transelectrica Group recorded the following categories of non-salaried workers within its own workforce:

Group	Private scholarships	Work placements	Self-employed workers*	Staff provided (NACE code N78)**	Total non-employee workers
Transelectrica	4	188	0	0	0
Teletrans	0	1	0	0	0
Smart	0	6	0	0	0

* Self-employed workers (persons with direct contracts with the enterprise for the provision of labour)

** Persons made available by enterprises principally engaged in 'employment services' (NACE code N78)

Methodologies and assumptions used in compiling the data. The number of non-salaried workers is reported as a headcount. The data presented for 2025 has been compiled on the basis of internal records relating to scholarship programmes and work placements carried out during the reporting period. In this section, the information is presented in terms of the number of people, and FTE (full-time equivalent) is not used as the basis for reporting. In methodological terms, the ENI represents the ratio between the actual hours worked by an individual and the standard working hours of a full-time employee, aggregated at company level.

Background information. The number of non-salaried workers reflects the progress of recruitment and initial training programmes (scholarships and work placements), which may have a seasonal component (depending on the academic calendar and the availability of programmes). During the 2025 reporting period, the Transelectrica Group continued to pursue these initiatives as part of its approach to skills development and to ensuring a steady supply of future specialists in the relevant technical fields.

Diversity indicators (S1-9)

Transelectrica implements clear and transparent mechanisms to ensure a fair recruitment, hiring and promotion process, eliminating any form of discrimination based on gender, marital status, gender identity, religion, political beliefs, ethnicity, race, nationality, genetic characteristics, age or other personal criteria. The Company's Internal Regulations contain strict provisions regarding compliance with the principle of non-discrimination and the elimination of any form of violation of human dignity. As a result of this proactive approach, no incidents of discrimination were recorded in 2025, and thanks to the preventive measures put in place, no corrective action was required.

Gender breakdown by number and percentage in top management and executive roles

Entitate	Tipul funcției	Număr angajați				G M
		2024		2025		
Transelectrica	Personal top management (cu excepția membrilor Directoratului)	82	4.05%	79	3.91%	54
	Personal de execuție	1944	#####	1939	96.09%	13
	TOTAL	2026	100%	2018	100%	14
Teletrans	Personal top management (cu excepția membrilor Directoratului)	55	#####	50	21.00%	40
	Personal de execuție	187	#####	185	79.00%	13
	TOTAL	242	100%	235	100%	17
Smart	Personal top management (cu excepția membrilor Directoratului)	28	4.67%	30	5.00%	23
	Personal de execuție	572	#####	570	95.00%	41
	TOTAL	600	100%	600	100%	43

Function type	Number of employees				Gender							
					M				F			
	2024		2025		2024		2025		2024		2025	
Transelectrica												
Senior management staff (excluding members of the Management Board)	82	4.05%	79	3.91%	54	3.72%	49	3.40%	28	4.88%	30	5.19%
Operational staff	1944	95.95%	1939	96.09%	1398	96.28%	1392	96.59%	546	95.12%	547	94.80%
TOTAL	2026	100%	2018	100%	1452	100%	1441	100%	574	100%	577	100%
Teletrans												

Senior management staff (excluding members of the Management Board)	55	22.73%	50	21.00%	40	22.86%	36	21.30%	15	22.39%	14	21.21%
Operational staff	187	77.27%	185	79.00%	135	77.14%	133	78.70%	52	77.61%	52	78.79%
TOTAL	242	100%	235	100%	175	100%	169	100%	67	100%	66	100%
Smart												
Senior management staff (excluding members of the Management Board)	28	4.67%	30	5.00%	23	5.26%	24	5.50%	5	3.07%	6	3.66%
Operational staff	572	95.33%	570	95.00%	414	94.74%	412	94.50%	158	96.93%	158	96.34%
TOTAL	600	100%	600	100%	437	100%	436	100%	163	100%	164	100%

Breakdown by age group, senior management roles/executive roles

Transelectrica												
Function type	Ages											
	up to 30 years				30 - 50 years				over 50 years			
	2024		2025		2024		2025		2024		2025	
Senior management staff (excluding members of the Management Board)	0	0%	0	0%	36	3.94%	31	3.87%	28	4.88%	49	4.34%
Operational staff	99	100%	112	100%	877	96.00%	769	96.13%	546	95.12%	1057	95.57%
TOTAL	99	100%	112	100%	913	100%	800	100%	574	100%	1106	100%
Teletrans												

Senior management staff (excluding members of the Management Board)	0	0%	0	0%	24	21.82%	24	26%	31	30.10%	26	22%
Operational staff	29	100%	25	100%	86	78%	68	74%	72	69.90%	92	78%
TOTAL	29	100%	25	100%	110	100%	92	100%	103	100%	118	100%
Smart												
Senior management staff (excluding members of the Management Board)	0	0%	0	0%	7	3.17%	7	3.33%	21	6.18%	23	6.63%
Operational staff	39	100%	43	100%	214	96.83%	203	96.67%	319	93.82%	324	93.37%
TOTAL	39	100%	43	100%	221	100%	210	100%	340	100%	347	100%

For the purposes of this presentation, 'top management' refers to the hierarchical level situated **one level** below the Management Board/Chief Executive Officer, excluding members of the Management Board/the Chief Executive Officer. The breakdowns by gender and age group are reported as numbers of people and as percentages, with the percentages calculated as a proportion of the total workforce; where applicable, percentages are also shown as a proportion of the total male and female workforce respectively.

Indicators of training and skills development (S1-13)

The Transelectrica Group employs a structured process for the regular assessment of professional performance and career development as a key tool for maintaining critical skills and aligning individual objectives with the operational requirements of the electricity transmission infrastructure.

Within the Transelectrica Group, the appraisal is conducted annually in accordance with the applicable internal procedures (PO TEL 16.06 for Transelectrica, PS TLT 09.05 for Teletrans and the Appraisal and Assessment Methodology for Smart), and forms the basis for decisions regarding professional development, training requirements, promotion and measures to improve performance. In 2025, all employees were assessed on their performance in 2024. The assessment of activities for 2025 has not yet been completed at the time of reporting, as, in accordance with the procedure, it is carried out at the beginning of the following year.

Given the technical nature of its work, the Transelectrica Group places particular emphasis on providing training programmes and professional development opportunities. These initiatives are essential to ensuring the high level of technical expertise required for the operation and maintenance of the TEN-T's critical infrastructure. The Transelectrica Group continuously invests in specialist training, professional certifications and professional development programmes,

designed to help employees adapt to new technologies, safety requirements and developments in the energy sector. Through these measures, the Group is consolidating its leading position in the energy sector, ensuring the continuity and security of its operations.

The aim of the training and professional development activities in 2025 was to enhance the professional efficiency of employees by enabling them to acquire, refine and diversify their professional skills, thereby improving the professional performance of Transelectrica Group staff.

The Transelectrica Group's professional training activities in 2025 were carried out in accordance with the 'Annual Programme for the Maintenance, Training and Professional Development of the Company's Employees'. The programme aimed to:

- acquiring, updating and building up new knowledge;
- consolidating existing knowledge and acquiring new skills;
- the development and diversification of professional skills, particularly specialist skills;
- developing employees' skills and abilities;
- the development of knowledge and professional skills.

The implementation of the 'Company Employee Maintenance, Training and Professional Development Programme' was based on fundamental principles designed to ensure a well-structured and fair training process. These include the efficient use of resources, effectiveness in achieving professional development objectives, consistency in the application of training strategies, equal treatment for all categories of employees, rigorous planning of training programmes, and transparency in their implementation and monitoring.

The training courses organised in 2025 were designed and structured to meet the specific needs of employees, based in particular on bespoke curricula and topics tailored to the specific requirements identified. These were categorised according to professional category and level of expertise, with the aim of achieving key objectives such as improving professional efficiency and effectiveness, boosting confidence in one's own skills, and, at the same time, providing a clear and realistic outlook on career development within the Transelectrica Group.

A key priority in 2025 was to ensure the organisation and delivery of training sessions for staff who, in the course of their professional duties, require certification, authorisation, recertification or reauthorisation.

Transelectrica												
	Number of people	Number of hours	Number of people	Number of hours	M				F			
	2024		2025		2024		2025		2024		2025	
In-house training	1625	26739	1929	33128	1600	98.46%	1845	95.60%	25	1.54%	84	4.40%
Training sessions with vocational training providers	434	7137	1109	9972	281	64.75%	710	64%	153	35.25%	399	36%
TOTAL	2059	33876	3038	43100	1881	91.36%	2555	84%	178	9%	483	16%
Teletrans												
In-house training	0	0	26	4680	0	0	16	62%	0	0%	10	38%

External training	44	1835	101	2367	26	59%	69	69%	18	42%	32	31%
TOTAL	44	1835	127	7047	26	59%	85	67%	18	42%	42	33%
Smart												
In-house training delivered by in-house trainers	49	35344	502	20080	424	73.10%	366	72.83%	156	26.90%	136	27.17%
External training	75	4673	109	16190	133	86.36%	97	88.99%	21	13.64%	12	11.01%
TOTAL	124	40017	611	36270	557	75.89%	463	75.71%	177	24.11%	148	24.29%

Average number of training hours per employee, by gender

Average number of training hours per employee						
Gender	Transelectrica		Teletrans		Smart	
Year	2024	2025	2024	2025	2024	2025
M	21.31 hours	26.42 hours	6.23 hours	26.61 hours	70.29	66.62 hours
F	5.10 hours	8.72 hours	11.04 hours	38.64 hours	65.44	44.04 hours

GROUP CONSOLIDATED TOTAL		
Gender	2024	2025
M	30.18 hours	35.00 hours
F	17.34 hours	18.34 hours

Note: The figures by gender are based on an estimate, derived by allocating training hours proportionally according to the gender breakdown of participants, as training hours are not tracked directly by gender at an individual level in the centralised records. The average number of training hours per employee was calculated by dividing the estimated hours by gender by the number of employees by gender at the end of the reporting period.

Based on the estimation methodology applied, the average number of training hours per employee, calculated separately by gender, shows varying levels across Group companies for 2024 and 2025, influenced both by the volume of training programmes delivered and by the gender breakdown of participants.

At Transelectrica, the average number of training hours per employee rose from 21.31 hours to 26.42 hours for men and from 5.10 hours to 8.72 hours for women.

At Teletrans, the figure rose from 6.23 hours to 26.61 hours for men and from 11.04 hours to 38.64 hours for women, against the backdrop of increased training activity in 2025.

Within the Smart sector, the average number of training hours per employee remained high in both years, at 70.29 hours in 2024 and 66.62 hours in 2025 for men, and 65.44 hours in 2024 and 44.04 hours in 2025 for women.

At a consolidated level, the average number of training hours per employee rose from 30.18 hours to 35.00 hours for men and from 17.34 hours to 18.34 hours for women. These figures should be

interpreted in the context of the estimation methodology used, as training hours are not recorded in centralised records directly by gender at an individual level, but have been allocated proportionally based on the distribution of female and male participation in the various types of training.

Health and safety indicators (S1-14)

Within the Transelectrica Group, the entire workforce (100%) is covered by the occupational health and safety (OHS) management system, implemented in accordance with national legislation and international standards (ISO 45001:2023). This system includes preventive measures, regular training, workplace risk assessments and the implementation of prevention and protection plans.

The entire occupational health and safety training process is carried out in accordance with the provisions of Law No. 319/2006 on occupational health and safety and Government Decision No. 1425/2006, which sets out the methodological rules for the implementation of this law. Furthermore, the training process is in line with Operational Procedure TEL 18.02 – Training of employees in occupational health and safety.

To ensure a safe working environment that complies with current legislation, prevention and protection services dedicated to occupational health and safety are organised, with methodological coordination provided by the Integrated Management Department.

Staff training begins on the first day of work (upon recruitment) and continues with regular training sessions held at varying intervals (monthly, half-yearly and annually) in line with the risk assessments specific to each workplace.

The stages of occupational health and safety training:

1. general introductory training – delivered by specialists from the prevention and protection services;
2. on-the-job training – provided by the immediate supervisor;
3. regular training – conducted by staff from the prevention and protection services or by the workplace manager, on a monthly or six-monthly basis, depending on the nature of the work.

Training topics are developed and regularly updated by specialist departments, in line with changes in legislation and the specific nature of the Company's activities (equipment upgrades, changes in work locations, etc.).

Each workplace is assessed individually to identify risks, and the necessary measures to reduce or control these risks are incorporated into the Prevention and Protection Plans, which are implemented through annual action programmes.

Frequency of training sessions:

- at least one session per year for each employee;
- every six months, for authorised technical staff within the Energy Dispatch Centres;
- monthly, for operational staff and/or OHS-authorised personnel at electrical substations/CTSI;
- every six months, for combined periodic training sessions.

This training system ensures strict compliance with health and safety regulations, reducing risks and strengthening the organisation's safety culture.

To improve emergency response capabilities, multi-annual simulation programmes are drawn up, covering environmental protection, occupational health and safety (OHS) and emergency situations (ES). These drills are conducted both under the coordination of specialist agencies (the Fire and Rescue Service, the Police, etc.) and internally, using our own staff.

Events	Transelectrica		Teletrans		Smart	
	2024	2025	2024	2025	2025	2025
Number of incidents followed by incapacity temporary staff (own employees)	1 (180 days' sick leave)	1 (13 days' sick leave)	0	0	4	4 (233 days of sick leave – 22 days of hospitalisation)
Number of people with occupational illnesses (own employees)	0	0	0	0	0	0
No. of accidents at work (own staff)	0	0	0	0	0	0
Number of fatal workplace accidents (own staff)	0	0	0	0	0	0
Total events (own staff)	1	1	0	0	0	4
Number of fatal workplace accidents (non-salaried workers)	0	No deaths have been reported	0	No deaths have been reported	0	No deaths have been reported

In 2024 and 2025, the number of reportable workplace accidents was 0 for all entities within the Transelectrica Group. Consequently, the recordable accident rate, calculated as the ratio of the number of recordable accidents to the total number of employees at the entity (headcount as at 31 December 2024 / 31 December 2025), is 0 for each entity.

Through regular inspections, audits and dedicated training programmes, the Transelectrica Group monitors and verifies the correct implementation of measures to prevent accidents and occupational risks, thereby ensuring a safe and sustainable working environment for all workers involved in its operational activities.

Occupational health services within the Transelectrica Group are provided by doctors specialising in occupational medicine at clinics located both at head office level and within the technical support teams of the various entities.

With regard to third-party workers carrying out activities on Transelectrica Group sites, no deaths resulting from work-related injuries or illnesses have been reported. The Group maintains high safety standards and continuously monitors risks in order to prevent such incidents.

Indicators on work-life balance (S1-15)

By 2025, 100% of Transelectrica Group employees will be entitled to family leave, in accordance with applicable national legislation and the Collective Bargaining Agreements in force. These

rights enable employees to fulfil their family responsibilities (such as having and raising children, caring for family members, attending important family events, etc.) without jeopardising their employment. Under the Collective Bargaining Agreement applicable in 2025, employees were entitled to various types of leave and days off for family reasons, which are clearly regulated to support a healthy work-life balance.

Types of family leave and how they are taken

- paternity leave – 10 working days are granted to the father of a newborn, provided he has completed a childcare course;
- a day off for child healthcare – employees are entitled to one paid day off per year to take their child for an annual health check-up;
- carer's leave – up to 10 days' leave is granted to employees who need to care for a relative requiring medical assistance;
- time off for personal reasons – upon request, employees are entitled to paid leave for important occasions such as: birthdays, their own wedding, the death of a family member, and time off for family emergencies;
- In the event of unforeseen circumstances, such as illness or an accident in the family, employees may take up to 10 days' leave per year, provided they give their manager prior notice and make up for the time missed;
- days off for blood donation – Transelectrica encourages blood donation by offering two days' paid leave.

Reduced working hours for parents. Employees who are caring for children up to the age of 7 may work part-time (6 hours a day), subject to their employer's agreement. In addition, those who opt out of parental leave for children under the age of two are entitled to a reduced working day of six hours.

The take-up rate of family leave. Transelectrica employees take this leave according to their personal needs, and the relevant entitlements are clearly set out in the collective bargaining agreement. Time off for personal reasons, paternity leave and carer's leave are the most commonly taken types of leave. Employees with young children may request reduced working hours, but this requires the employer's approval.

Transelectrica	Female		Male		Total
2024					
Total number of employees	574	28.34%	1452	71.66%	2026
Number of employees entitled to family leave	574	28.34%	1452	71.66%	2026
Number of employees who have taken maternity, paternity or parental leave	24	44.44%	30	55.56%	54
Number of employees who took parental leave	19	79.17%	5	20.83%	24
Number of employees who took leave for unforeseen circumstances	0	0	0	0	0
Number of employees who took time off work to give blood	9	30%	21	70%	30
2025					
Total number of employees	577	28.59%	1441	71.41%	2018

Number of employees entitled to family leave	577	28.59%	1441	71.41%	2018
Number of employees who have taken maternity, paternity or parental leave	32	61.53%	20	38.47%	52
Number of employees who took parental leave	40	78.43%	11	21.57%	51
Number of employees who took leave for unforeseen circumstances	0	0	0	0	0
Number of employees who took time off work to give blood	12	29.26%	29	70.74%	41

Teletrans	Female		Male		Total
2024					
Total number of employees	67	28%	175	72%	242
Number of employees entitled to family leave	67	28%	175	72%	242
Number of employees who have taken maternity, paternity or parental leave	1	50%	1	50%	2
Number of employees who took parental leave	1	33%	2	67%	3
Number of employees who took leave for unforeseen circumstances	1	9%	10	91%	11
Number of employees who took time off work to give blood	0	%	2	100%	2
2025					
Total number of employees	66	28%	169	72%	235
Number of employees entitled to family leave	66	28%	169	72%	235
Number of employees who have taken maternity, paternity or parental leave	0	0%	2	100%	2
Number of employees who took parental leave	2	33%	4	67%	6
Number of employees who took leave for unforeseen circumstances (ZLP for bereavement)	2	18%	9	82%	11
Number of employees who took time off work to give blood (ZLP)	0	0%	3	100%	3

Smart	Female	Male	Total
2024			

Total number of employees	163	27.17%	437	72.83%	600
Number of employees entitled to family leave	0	0	0	0	0
Number of employees who have taken maternity, paternity or parental leave	4	0.66%	0	0	4
Number of employees who took parental leave	6	1%	3	0.50%	9
Number of employees who took leave for unforeseen circumstances	0	0	0	0	0
Number of employees who took time off work to give blood	3	0.50%	6	1.00%	9
2025					
Total number of employees	164	28.34%	436	71.66%	600
Number of employees entitled to family leave	164	28.34%	436	71.66%	600
Number of employees who have taken maternity, paternity or parental leave	3	0.5%	3	0.5%	6
Number of employees who took parental leave	8	1.33%	-	-	8
Number of employees who took leave for unforeseen circumstances	0	0	0	0	0
Number of employees who took time off work to give blood	5	0.83%	8	1.33%	13

In conclusion, the Transelectrica Group provides a supportive environment for achieving a work-life balance, offering a range of leave options and days off specifically for family-related circumstances.

2. Workers in the value chain (S2 1–5)

Significant impacts, risks and opportunities, and their interaction with the strategy and business model (SBM–3)

The Transelectrica Group, through its role in the operation, maintenance and development of critical electricity transmission infrastructure, relies on a complex technical value chain (suppliers, contractors and specialist service providers) to carry out its day-to-day operations and investment projects. In this context, respect for the rights of workers throughout the value chain and the responsible management of working conditions are key factors for the Group's operational continuity, quality of execution, compliance and reputation.

Scope of reporting and types of workers in the value chain. In the SBM-3 submission, the Group includes within its scope those types of workers in the value chain who may be significantly

affected by its activities, through relevant business relationships and through activities carried out for or in the vicinity of critical infrastructure. The Group's activities and relevant contractual relationships are conducted exclusively in Romania.

The main categories of workers likely to be significantly affected include, in particular:

- *workers employed by contractors or service providers carrying out activities on the Group's sites*, who are not part of the Group's own workforce (e.g. construction work, installation, specialist maintenance, technical or support services required for the conduct of operations);
- *workers in the upstream value chain* (suppliers of equipment, materials and technical services used in the modernisation, maintenance and operation of infrastructure);
- *sub-groups with increased exposure to risks*, depending on the nature of their work and the working environment, in particular construction/site workers, workers carrying out activities in hazardous conditions (working at height, proximity to high-voltage equipment) and young/inexperienced workers in field-based activities.

Risk of child labour or forced/compulsory labour – regions/countries/goods. Given that the relevant operations and contractual relationships are conducted solely in Romania, the Group has not identified any regions, countries or categories of goods for which there is a significant risk of child labour or forced/compulsory labour amongst workers in the value chain, in the context of its activities and the applicable legal framework.

Material risk and its link to strategy and the business model. Following the double materiality analysis, the risk of non-compliance regarding working conditions and occupational health and safety (OHS) in value chain relationships was identified as a material issue for the reporting period, particularly in activities carried out at sites and in projects with high operational exposure.

The nature of the negative impact associated with material risk (systemic vs. incident-related). Material risk can manifest itself both as a broader risk (arising from the inherent exposure of certain site/maintenance activities) and through individual incidents (for example, specific events associated with a contractor's activities). Against the backdrop of infrastructure modernisation and the energy transition, the increasing scale and complexity of projects may heighten the importance of compliance monitoring and the standardisation of health and safety requirements for partners in the value chain.

Against the backdrop of infrastructure modernisation and the energy transition (including the integration of renewable energy sources and the digitalisation of the grid), the scale and complexity of projects may increase, thereby heightening the importance of safety requirements, compliance monitoring and appropriate expertise throughout the value chain.

Contextual positive impacts associated with management measures. Although the double materiality analysis identified the above-mentioned risk as material, preventive and control measures (such as compliance requirements, access rules and safety requirements) can have positive effects on workers in the value chain by improving safety discipline, operational skills and the clarity of working conditions in contractual relationships.

Significant risks and opportunities for the Group (arising from material risk). The risk of non-compliance with working conditions and health and safety regulations within the value chain could have significant implications for the Group, including project delays, operational disruptions,

reputational risks and additional remediation costs. At the same time, rigorous management of this risk can support operational opportunities by enhancing safety, reducing incidents, improving the quality of execution and strengthening relationships with high-performing partners.

Understanding increased exposure to harm. The group has developed an understanding of the increased risk of harm by considering the nature of activities within the value chain and working contexts (particularly construction, installation and maintenance work in the vicinity of electrical infrastructure), as well as by incorporating the findings from the double materiality process and the operational perspective on high-risk activities. This understanding underpins the emphasis placed on safety requirements, prevention and compliance monitoring in the relevant relationships within the value chain.

Specific groups vs. the entire value chain. The material risk identified does not affect all categories of workers in the value chain equally; it is more pronounced for specific groups, particularly contractors' workers involved in on-site construction/maintenance activities and in activities involving high operational exposure. At the same time, the minimum compliance requirements and general standards regarding working conditions and occupational health and safety apply to all relevant business relationships within the Group's value chain.

Following the double materiality analysis, the risk of non-compliance regarding working conditions and workplace safety in value chain relationships was identified as a material issue for workers in the value chain during the reporting period.

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS S2	Workers in the supply chain	Working conditions	Health and safety	risk	Integrity, anti-corruption, reputational risk, legal compliance, potential impact on investments and the cost of capital

Policies regarding workers in the value chain (S2-1)

The Transelectrica Group manages the significant risks and impacts associated with workers in the value chain through a set of policies and tools integrated into the MDR-P and the Integrated Management System (IMS), with a focus on preventing non-compliance regarding working conditions and occupational health and safety (OHS) in relevant contractual relationships. These policies apply to relevant business relationships within the value chain involving workers carrying out activities for the Group or at its sites, and are particularly relevant to contractors' workers involved in construction/maintenance work and technical services (groups with high operational exposure). The Group's relevant operations and contractual relationships are conducted exclusively in Romania.

To this end, the OSH risk assessments and the prevention and protection measures implemented across the Group also cover the activities and workplaces where workers in the value chain carry out their work, when they are working on the Group's projects and activities or at its sites, in accordance with the applicable legislative framework and the SMI requirements.

Human rights commitments relevant to workers in the value chain: monitoring, engagement and remediation. The Transelectrica Group is committed to respecting the human rights of workers throughout its value chain, aligning itself, in terms of principles and governance, with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. In practice, this commitment is reflected in compliance requirements, health and safety rules and controls, and expectations regarding conduct and fair treatment in relevant business relationships.

Alignment with international instruments and instances of non-compliance within the value chain. The Transelectrica Group's policies and practices regarding workers in the value chain are aligned, as benchmarks for governance and conduct, with relevant recognised international instruments, including the UN Guiding Principles on Business and Human Rights (UNGP), the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. This alignment is reflected in the compliance requirements applicable to the relevant business relationships (in particular those relating to working conditions and occupational health and safety), in the supplier assessment and acceptance procedures, and in the monitoring and corrective measures implemented when non-conformities are identified. During the 2025 reporting period, in the context of operations carried out exclusively in Romania and the relevant contractual relationships, no cases of non-compliance with the UNGP, the ILO Declaration or the OECD Guidelines involving workers in the value chain were reported in the upstream or downstream value chain; Consequently, there are no cases for which the nature of such non-compliance needs to be described.

Respect for workers' rights (labour rights / health and safety). The Transelectrica Group aims to ensure that its relevant contractual partners operate in a compliant and safe manner, through requirements governing access to and the conduct of activities on site, health and safety standards, and incident prevention measures, particularly for high-risk activities (e.g. construction/maintenance work).

Collaboration with workers in the value chain. Collaboration takes place through contractual relationships and operational interaction with partners (for example, clarifying safety requirements and site-specific rules, coordinating activities and communicating compliance requirements), with a focus on prevention and adherence to health and safety requirements.

Resolution. Where instances of non-compliance or potential relevant breaches are identified within business relationships (including in relation to safety), the Transelectrica Group employs corrective measures and contractual/operational mechanisms (e.g. requests for rectification, conditions regarding the continuation of activities, additional control measures) to prevent recurrence and maintain a safe and compliant working environment.

Human trafficking, forced/compulsory labour, child labour and the supplier code of conduct. With regard to human trafficking, forced or compulsory labour and child labour, the Group operates exclusively in Romania, within the framework of the legal regime governing employment relationships and the provision of services. Consequently, compliance policies and practices aim to prevent and deter any situations that might be associated with such practices, including through compliance requirements in the relevant contractual relationships.

The Transelectrica Group does not currently have a dedicated Supplier Code of Conduct. However, at Transelectrica, PO TEL 04.08 – Acceptance of Suppliers of Products/Services/Works

is used for the selection and retention of suppliers/service providers; this document sets out the evaluation procedure for their inclusion or retention on the list of approved suppliers. In accordance with SMI policy, only suppliers/service providers who have implemented, where applicable, quality and/or environmental management systems certified by an accredited certification body are accepted as suppliers of products/works/services.

Through these tools, the Transelectrica Group aims to strengthen its compliance framework and reduce the risk of non-compliance across the value chain, particularly in areas affecting working conditions and occupational health and safety.

Processes for engaging with value chain workers regarding impacts (S2-2)

The Transelectrica Group (operating exclusively in Romania) manages its collaboration with workers in the value chain primarily through operational and contractual mechanisms applied to its business partners (suppliers/contractors), with a focus on mitigating the material risk identified for 2025 – non-compliance with working conditions and occupational health and safety standards within the value chain. The process is underpinned by the governance and professional conduct framework (G1), including integrity mechanisms and reporting channels/whistleblower protection, which may also be used by external stakeholders, provided they submit reports via the channels made available.

How do the perspectives of workers in the value chain influence decisions and activities?

Type of collaboration (direct / representatives / trusted agents). Cooperation generally takes place **indirectly**, through the partners' contractual representatives (contractor management, health and safety officers, site supervisors), or through trusted representatives with knowledge of the workers' situation (for example, service providers' health and safety officers and activity coordinators). Where workers in the value chain carry out activities on the Group's sites, communication regarding safety requirements and applicable rules is also provided at operational level (through briefings, training sessions and clarifications) by the site management.

The stages, type and frequency of collaboration. Collaboration is integrated into the main stages of the contractual and operational cycle, depending on the nature of the works/services:

- *Before work commences:* clarification of compliance requirements, including health and safety requirements and rules governing access to and work on site;
- *during implementation:* operational coordination, supervision/monitoring, and reporting of non-conformities and corrective actions;
- *following events/findings:* analysis, lessons learnt and updating of preventive measures, where appropriate.

The frequency is determined by the specific nature of the contracts and activities, including ongoing collaboration during the performance of works/services and ad hoc interventions when non-conformities, incidents or risks arise.

The function and role of the most senior (operational) manager. At the level of each entity within the Group, senior management has the operational responsibility to ensure that processes for engaging with business partners (and, by extension, with workers in the value chain to the extent that they are affected) are implemented and that the outcomes (e.g. findings regarding

compliance/OHS and corrective measures) are integrated into the management approach. In practice, implementation is supported by the relevant operational functions (e.g. procurement/contract management, health and safety/integrated management, operations), within the scope of their respective responsibilities.

Global framework agreements with global trade union federations (GFAs). The Transelectrica Group does not have any global framework agreements with global trade union federations regarding the rights of workers in the value chain; this requirement does not apply.

Assessing the effectiveness of collaboration. The effectiveness of the collaboration is assessed on the basis of the results achieved in the conduct of contractual and operational relations (for example, the reduction of relevant non-conformities, the implementation of requested corrective measures, the prevention of incidents, and the improvement of safety discipline in activities carried out on site). In addition, the compliance and internal control functions within the G1 governance structure may use the information contained in reports and in the measures ordered to improve relevant practices and controls.

Reporting channels – accessible to external parties. The Transelectrica Group provides dedicated reporting channels (including mechanisms for public interest whistleblowing), which may also be used by external stakeholders, provided they report potential non-compliance or relevant breaches. Reports are treated confidentially, with safeguards in place to protect against retaliation for reports made in good faith, and the findings may lead to corrective measures and/or remedial action in contractual and operational relationships, as appropriate.

The Group has operational and contractual collaboration processes in place to manage material risk (OHS/working conditions) within the value chain. At the same time, issues for which aggregated data is not yet available or which were not identified as material following the double materiality analysis will be addressed by gradually strengthening data collection and reporting mechanisms and by enhancing collaboration with relevant partners, so that future reports can provide greater detail, within the limits of materiality and available data.

Processes for addressing negative impacts and the channels through which workers in the value chain can raise their concerns (S2-3)

The Transelectrica Group applies a 'due diligence' approach to prevent, identify and address significant adverse impacts on workers in the value chain, with a focus on the material risk identified for the reporting period: non-compliance with working conditions and occupational health and safety (OHS) in relevant business relationships. These processes are underpinned by internal integrity and conduct frameworks (G1), operational health and safety requirements, and contractual and control mechanisms applicable to partners (contractors/suppliers), in the context of activities carried out exclusively in Romania.

General approach and remedial processes; assessment of effectiveness. Where the Group identifies situations in which it has caused or contributed to a significant adverse impact on workers in the value chain (e.g. health and safety non-compliance in activities carried out on site, non-compliant working conditions during the performance of a contract), it uses a combination of:

- *gradual corrective measures* (request for rectification, deadlines and responsibilities, verification of implementation);

- *operational measures* (clarifications/safety briefings, temporary suspension of activities pending compliance, additional control measures);
- *contractual measures* (conditions regarding the continuation of activities, contractual penalties, where applicable, within the limits of the relevant provisions).

The effectiveness of the corrective actions is assessed by closing the identified non-conformities, implementing corrective measures on time, preventing recurrence and, where appropriate, improving the requirements and controls applied in contracts and similar activities.

Specific channels for raising concerns; internal and external mechanisms. In accordance with the Integrity and Conduct Framework (G1), the Group provides internal reporting channels (including dedicated mechanisms for whistleblowing) which may also be used by external stakeholders, including workers in the value chain, to raise relevant concerns (e.g. unethical behaviour, breaches of rules, suspected non-compliance). Reports are treated confidentially, with protection against retaliation for reports made in good faith, in accordance with the applicable policies and procedures (G1).

Transelectrica Group does not currently use a third-party mechanism dedicated exclusively to workers in the value chain; reports can be submitted via internal channels and, where appropriate, through the legal and regulatory mechanisms applicable in Romania.

Processes to support/ensure the availability of channels in the workplace. Channel availability is supported by:

- communicating compliance requirements and expectations regarding conduct and safety to partners;
- the use of contractual and operational tools (particularly in site-based activities) to ensure that non-conformities are reported and rectified;
- operational coordination and supervision of high-risk activities (construction site/maintenance), including the ability to report issues directly to the Group's operational representatives and escalate them to the relevant departments.

Monitoring issues and ensuring the effectiveness of communication channels. The issues raised are tracked and monitored by recording complaints, analysing them and documenting the measures taken, as well as by conducting follow-up checks on the implementation of corrective measures. The effectiveness of these channels is ensured through the confidential handling of reports, safeguards against retaliation (G1) and the continuous improvement of controls and applicable requirements, based on lessons learnt.

In addition to the reporting channels aligned with the integrity framework (G1), the Group has established and utilises an Integrated Stakeholder Feedback System (SIF-PI), which includes a standard form (with an option for anonymous responses) and consultations/surveys for the structured collection of feedback, including on topics relevant to the value chain (e.g. the adequacy of safety measures on construction sites for work carried out by third parties). Feedback is recorded, categorised and tracked until resolution using a 'feedback loop' approach, in compliance with confidentiality requirements and the GDPR; integrity reports (fraud/legal breaches) are handled separately via the dedicated whistleblower channel, in accordance with G1 policies.

Awareness of and trust in reporting channels; protection against retaliation (see G1). The Transelectrica Group assesses, in line with the nature of the relationships within the value chain, whether workers in the value chain are aware of and have confidence in the reporting mechanisms, through operational feedback during the execution of contracts and through interactions with relevant partners (for example, as part of OHS coordination on site and compliance checks). Protection against retaliation for individuals using the reporting channels is ensured through the integrity policies and procedures described in ESRS G1-1, to which this section refers.

If there is no dedicated channel or time slot. The Group has internal reporting channels aligned with the G1 framework, which can also be used by workers in the value chain. At present, there is no separate channel dedicated exclusively to workers in the value chain, and the development of a more structured approach to collecting and aggregating feedback from workers in the value chain (particularly for high-exposure activities) will be considered in the coming period, with a view to strengthening future reporting, depending on materiality and data availability.

The adoption of measures addressing significant impacts on workers in the value chain, and approaches to managing significant risks and pursuing significant opportunities relating to workers in the value chain, as well as the effectiveness of these actions (S2-4)

The Transelectrica Group (operating exclusively in Romania) treats workers in the value chain as a relevant stakeholder, particularly in on-site activities and technical projects involving high operational risk. Following the double materiality analysis, the risk of non-compliance regarding working conditions and occupational health and safety (OHS) in the value chain was identified as a material risk for 2025, with the potential to affect workers and to have operational and reputational consequences for the Group. The measures described below are tailored to this material risk and are implemented through a combination of operational requirements, controls and contractual instruments, in line with the integrity framework (G1).

Actions regarding significant impacts; remediation; positive initiatives; effectiveness assessment

Prevention/mitigation of significant adverse impacts. To prevent and mitigate the negative impacts associated with material risk (OHS/working conditions in the value chain), the Group implements:

- standardisation of occupational health and safety requirements – the same health and safety rules apply to both in-house staff and workers throughout the value chain, including strict requirements regarding protective equipment, training and accident prevention measures;
- operational checks and supervision during high-risk activities (construction site/maintenance), with a focus on incident prevention;
- the implementation of a whistleblowing system – The Group has established communication channels through which workers in the value chain can report issues relating to their rights or health and safety at work, including anonymous reporting mechanisms.

Remedy for actual impacts. Where non-conformities or situations are identified that may indicate a genuine negative impact on workers in the value chain, the Group adopts a phased corrective action approach, which may include requests for rectification with deadlines, additional

operational control measures and, where appropriate, contractual instruments (conditions regarding the continuation of activities, contractual penalties, within applicable limits), with verification of implementation until closure.

The process of identifying and implementing sustainable solutions			
1. Identifying negative impacts through checks, audits and reporting mechanisms provided by workers and contractual partners	2. Drawing up a remedial plan, which may include changes to working conditions, adjustments to contractual arrangements with suppliers, penalties for non-compliance, or support for corrective and preventive measures	3. Assessing the effectiveness of corrective measures by monitoring the implementation of solutions and gathering feedback from affected workers to ensure that negative impacts are eliminated or sustainably mitigated	4. Reviewing internal processes to prevent a recurrence of the same type of negative impact on workers in the value chain

Initiatives with a positive impact. Although the double materiality analysis identified the aforementioned risk as material, prevention and control measures can have positive effects for workers in the value chain by:

- improving safety standards and ensuring clarity regarding workplace rules;
- strengthening partners' ability to operate in accordance with health and safety requirements;
- reducing exposure to risky activities through standardisation and more rigorous planning.

Monitoring and evaluating effectiveness. The effectiveness of these measures is monitored through operational and compliance outcomes, including: findings from audits/inspections, the timely resolution of non-conformities, the prevention of recurrence, as well as reports received via channels aligned with G1 and through feedback tools (SIF-PI), where relevant. In 2025, no relevant complaints were recorded in this regard.

Processes for identifying appropriate actions; internal practices (procurement); availability and effectiveness of corrective measures

Identifying the necessary actions. Actions are identified on the basis of: risk assessments and the health and safety requirements applicable to the activities, findings from inspections/checks carried out during the performance of works/services, and reports received through reporting and feedback channels (G1 / SIF-PI).

Approach and link to procurement/collaboration practices. The Group incorporates compliance and equal treatment requirements into its procurement process and the execution of contracts, in accordance with the legal framework applicable to sector-specific procurement and internal procedures. Furthermore, collaboration with entities in the value chain focuses on prevention and early rectification, through the clarification of requirements, operational supervision and gradual corrective measures when non-conformities are identified.

The availability and effectiveness of the remedy. The availability and effectiveness of remedial processes are ensured through: access to reporting channels aligned with G1 (including public interest alerts), the ability to provide feedback via SIF-PI, the confidential handling of complaints, and operational/contractual mechanisms for implementing corrective measures and verifying their closure.

Measures for significant risks and opportunities

Mitigating significant risk and monitoring effectiveness. To address material risks (non-compliance with health and safety regulations or working conditions within the value chain), the Group implements standardised safety requirements, checks and a phased programme of corrective measures. Effectiveness is measured by the reduction in non-conformities, the prevention of incidents and relevant operational indicators (e.g. non-conformity findings/closures), as well as through reports and feedback received.

Opportunities. The opportunities being pursued are primarily operational: improving safety and the quality of execution through standardisation and strengthening partners' capabilities, which can support project efficiency and operational continuity.

Avoiding causing or contributing to negative impacts through our own practices. The Group aims to avoid causing or contributing to significant adverse impacts on workers in the value chain by integrating health and safety requirements and compliance into the planning and execution of activities and into procurement and contract management practices, so that time pressures or operational constraints do not lead to compromises on safety. In the event of a conflict between operational objectives (deadlines/continuity) and risk prevention, the Group gives priority to compliance with safety requirements and the applicable legal framework.

Serious human rights issues and incidents within the value chain. In 2025, no serious human rights issues or incidents were reported in relation to the Group's value chain (upstream or downstream) involving workers in the value chain, in the context of activities carried out exclusively in Romania.

Allocated resources. The Group allocates resources to manage material risks in the value chain (OHS/working conditions) through: roles and responsibilities within the HSE/integrated management and operations functions, time and resources for training and site inspections, as well as resources for the operation of reporting mechanisms (G1) and the feedback system (SIF-PI), which support the early identification of issues and the continuous improvement of the measures implemented.

Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities (S2-5)

Following the double materiality analysis for the 2025 reporting year, the Transelectrica Group (operating exclusively in Romania) has identified as material for workers in the value chain the risk of non-compliance regarding working conditions and occupational health and safety in relevant business relationships (particularly in activities carried out on-site and in works involving high operational exposure). In this context, the Transelectrica Group has sought to manage material risk through operational and contractual requirements, controls and corrective measures, in accordance with sections S2-1 to S2-4.

Targets (MDR-T). For the 2025 reporting period, the Group has not set specific quantitative or time-bound targets (within the meaning of ESRS 2 MDR-T) for the material risk relating to workers in the value chain. The approach for 2025 focused on implementing the existing prevention and control framework (health and safety requirements, rules governing access to and the conduct of

activities on site, checks and rectification of non-conformities, where necessary). Consequently, there are no reportable targets, baselines or deadlines for 2025.

The Group intends to review and define in the next planning cycle a set of appropriate targets commensurate with the material risk (e.g. targets for OHS compliance in relevant contracts, non-conformity monitoring indicators and closure times), depending on the maturity of data collection and confirmed materiality.

The process of setting targets and collaborating with value chain partners. In 2025, as no MDR-T targets had been set, collaboration with value chain stakeholders (or their credible representatives or agents) mainly took the form of the operational and contractual collaboration described in S2-2 and S2-3 (coordination of occupational health and safety at sites, clarification of compliance requirements, feedback and reporting via G1-aligned channels and via SIF-PI, where applicable). However, this collaboration provides the basis for the future development of targets, through:

- *setting targets*: gathering operational observations and relevant feedback on OSH compliance and working conditions in activities carried out by third parties;
- *performance monitoring*: using checks and information from reporting and feedback mechanisms to monitor trends and areas of risk;
- *lessons learnt and improvements*: *integration* of lessons learnt into prevention requirements, applicable controls and, subsequently, into the definition of measurable targets.

3. Affected communities (S3 1–5)

Significant impacts, risks and opportunities, and their interaction with the strategy and business model (SBM–3)

Stakeholders' views and the main concerns identified. The Transelectrica Group engages with a wide range of stakeholders (local authorities, communities, NGOs, industry and social partners), and their concerns reflect the nature of the investments and operations associated with critical electricity transmission infrastructure. In 2025, the aggregated feedback and relevant interactions highlighted, in particular, the following perspectives:

- *local authorities* (town halls, county councils) emphasise the importance of compliance with urban planning and environmental regulations and call for predictable communication regarding works affecting the community (including advance notice of expropriations, temporary restrictions and restoration/compensation measures); in general, the authorities support the Group's investments but request assurances regarding the minimisation of disruption and the appropriate management of local impacts;
- *local communities* living near the lines, stations and construction sites have raised concerns regarding safety and environmental quality (electromagnetic fields, visual impact, protection of property/land and temporary disruption – noise, traffic, temporary occupation);
- *NGOs* (particularly environmental and civic organisations) are calling for transparency and rigour in impact assessments and are demanding measures to mitigate the effects on

biodiversity and the environment (for example, preventive measures for birdlife and the restoration of areas affected by construction sites). Community-based NGOs focus on social value in the areas where their projects are carried out (education, social programmes, local support), whilst maintaining a role as 'constructive critics'.

These perspectives influence the way in which the Group plans projects, manages social risks and communicates, within a public interest framework in which social acceptance contributes to the realisation of investments.

The scope of the ESRS presentation. The Transelectrica Group includes within the scope of the ESRS 2 SBM-3 report the affected communities that are at risk of being significantly affected by its operations and the relevant value chain, through investment projects, the operation and maintenance of the electricity transmission infrastructure in Romania.

Types of communities. In the context of Transelectrica Group's activities, the main types of communities that may be affected include:

- *communities in the vicinity of sites and physical operations:* communities living or working near power lines, substations, construction sites and other physical operations; this also includes more distant communities that may be indirectly affected (e.g. through temporary disruption, traffic, or noise associated with construction sites);
- *communities located along the relevant value chain:* communities affected by the activities of contractual partners carrying out work for the Group (e.g. construction/maintenance work), to the extent that these activities cause local disruption or involve the temporary use of land;
- *communities located at the end points of the value chain:* are not considered to be significantly relevant to the Transelectrica Group's business model, in relation to the topics analysed in S3.
- *indigenous communities:* these are not considered relevant in the context of the Group's activities in Romania.

Significant negative impacts, including systemic impacts versus incidents and the green transition. Following the significance assessment, the Transelectrica Group has identified, for the affected communities, a profile of potential negative impacts associated primarily with infrastructure projects and physical operations, such as:

- temporary or permanent occupation or use of land and temporary access restrictions;
- changes to the landscape and temporary disruption (noise, traffic, site organisation);
- community concerns regarding exposure to electromagnetic fields.

These impacts may be systemic or widespread (due to recurring patterns in repeated projects) and/or may be linked to individual incidents, depending on the context of a specific project or business relationship.

At the same time, the energy transition and the acceleration of investment in the grid (including the integration of renewable energy sources) may increase the level of interaction with local communities, making it necessary to undertake careful planning, public consultation and measures to mitigate or compensate for any disruption right from the design and authorisation stages.

In 2025, no incidents with significant negative impacts on local communities were reported as part of the Group's monitoring and reporting processes.

Significant positive impacts and the types of communities positively affected. Relevant positive impacts include:

- *resilience and energy security*: strengthening the grid and maintaining the stability of the National Electricity System (NES) directly helps to protect communities from major power cuts;
- *integration of renewable energy sources*: increasing the capacity to absorb energy from RES supports economic development and the transition to a cleaner energy system;
- *Social value in communities*: through corporate social responsibility programmes and partnerships (education, health, community support, volunteering), the Company contributes to the well-being of communities, going beyond its technical remit.

These positive impacts are felt primarily in local and regional communities across Romania, particularly in areas where projects are being carried out or where Transelectrica Group's assets are located.

Significant risks and opportunities for the Group. The significant risks and opportunities arising from our relationship with the affected communities include:

- *risks*: local opposition to projects, difficulties in obtaining planning permission, delays in implementation, reputational risks and additional costs associated with conflict management or project adjustments.
- *opportunities*: strengthening the 'social licence to operate' through transparent dialogue, consultation, measures to mitigate or compensate for disruption, and community investment, which increases the predictability of project implementation and reduces social friction.

These elements are integrated into the risk management process and project planning, within a framework where long-term performance also depends on the quality of the relationship with society.

Relevant IROs and their link to the strategy. Based on the double materiality analysis, the IROs relating to the affected communities are summarised in the table below (ESRS S3):

Thematic ESRS	Theme	Sub-theme	Sub-sub-theme	IRO	Description
ESRS S3	Affected communities	The economic, social and cultural rights of communities	Impacts relating to soil	risk	Risks relating to relations with local communities – changes to the environment may lead to social discontent and opposition from communities affected by energy infrastructure
				impact	Impact on the environment and community land – The construction of high-voltage power lines and substations can affect communities through land take, changes to the landscape and potential nuisances (e.g. background noise or concerns about electromagnetic fields). These impacts are managed through public consultation, environmental studies

					and measures to minimise disruption, in order to safeguard the quality of life in local communities

Understanding increased exposure to harm. Based on the impact assessment carried out as part of ESRS 2 IRO-1, the Group has developed an understanding of how certain communities may be at greater risk of harm, by linking the types of impact to the characteristics of the communities and the local context of the projects. The exposure may be higher, for example, for:

- communities located in the immediate vicinity of lines, stations or construction sites, or along routes affected by the works;
- communities with sensitive land uses (densely populated residential areas, agricultural areas dependent on access, areas where the visual impact is perceived as significant);
- communities that include groups with specific vulnerabilities (for example, older people or households with limited ability to cope with temporary hardship). This approach is used in project planning and public consultation processes to tailor communication, mitigate disruption and, where appropriate, implement compensation measures.

Specific community groups vs. all affected communities. The risks and opportunities associated with the affected communities do not manifest themselves uniformly across the Group's area of operation. They are more pronounced in specific community groups, in particular:

- communities directly affected by new infrastructure projects or upgrades (for example, communities along the routes of lines or around stations);
- communities in areas with a high level of grid investment (for example, areas with accelerated integration of renewable energy sources), where the pace of work and interaction with the public can amplify both the risks to social acceptance and the opportunities for collaboration and local benefits.

At the same time, the associated opportunities (local support, reducing friction through dialogue and appropriate measures) are relevant across the board, but are particularly evident in the communities directly involved in the Group's projects.

Examples and relevant data (2025 context)

To illustrate the relationship between Transelectrica and local communities in concrete terms, here are some examples and key figures from 2025:

- *resilience in emergency situations* – in June 2025, Transelectrica managed to maintain the integrity of the Romanian power system during a major regional blackout, preventing any impact on consumers across the country. This example highlights how investment in the grid directly protects communities from major power cuts;
- *Completed infrastructure projects* – in Dobrogea, a region with significant investment in wind and solar power, Transelectrica has completed the connection of 400 kV lines to the Medgidia Sud substation, thereby increasing the capacity to feed in energy from renewable sources. This project, due for completion in 2025, contributes to the stability of

the local and national grid, whilst also facilitating the integration of new green energy projects that benefit both the economy and the environment (by reducing local CO2 emissions);

- *Community investment and sponsorship* – with a budget of 4.98 million RON allocated to corporate social responsibility, the Company supported dozens of local initiatives in 2025. For example, Transelectrica funded the trip for the robotics team from the Sfântul Sava National College in Bucharest to an international competition in the US, demonstrating its support for excellence in education. It has also supported social welfare projects such as camps for disadvantaged children and suicide prevention campaigns targeting adolescents at risk of suicide, demonstrating its concern for current social issues. The diversity of these examples highlights Transelectrica's commitment to investing in the well-being of communities, beyond its technical role in power transmission;
- *volunteering and employee engagement* – between October and November 2025, the campaign “Bringing the Romanian language to the diaspora – donate a storybook” was run in partnership with the VolunDar association, a programme initiated and run for patriotic and cultural purposes, supporting Romanian families in the diaspora to keep their children close to their mother tongue. As part of this campaign, Transelectrica employees donated storybooks for children aged between 3 and 14, which were sent to Tarragona, Spain, to help set up a Romanian library. In this way, the new generation's knowledge of their mother tongue will give young people a deep connection to their own identity, as well as a real opportunity to return home whenever they wish.

Overall, these examples from 2025 show that Transelectrica is fulfilling its role in the community on multiple fronts: technical (grid safety and modernisation), social (education, health, volunteering) and governance (transparent dialogue with stakeholders). They serve as positive case studies that can be replicated and scaled up in the coming years. At the same time, no incidents with significant negative impacts on local communities were reported in 2025.

Policies relating to affected communities (S3-1)

Policies for managing significant impacts, risks and opportunities; affected communities.

The Transelectrica Group manages its significant impacts, risks and opportunities relating to affected communities through a set of policies and tools included in the MDR-P – Policies adopted to manage significant sustainability issues, supplemented by policies on the environment, governance and corporate social responsibility. These policies set out the framework for minimising the impact of projects and operations on communities, maintaining transparent dialogue with stakeholders, and implementing sustainable development measures.

The policies cover all communities affected by Transelectrica Group's activities, with more specific measures for communities located near infrastructure sites and projects (power lines, substations, construction sites), where exposure to temporary disruption, land use and environmental concerns may be greater.

Policy format and cross-references

The policy on affected communities is not a standalone document; it is integrated into a broader set of policies and documents (MDR-P, social responsibility policies, environmental policies, and the integrity and conduct framework). In this regard, relevant cross-references include:

- MDR-P (social responsibility policies) – for the general framework and priorities for action;
- the sections on reporting channels and integrity mechanisms (ESRS G1) – for raising and addressing concerns;
- the sections on remedial procedures and reporting/feedback channels (e.g. S3-3 / SIF-PI (as shown there) – for remediation and feedback mechanisms.

Indigenous peoples. Given that Transelectrica Group's activities are carried out exclusively in Romania, the Company has not identified any indigenous communities as being relevant to the scope of the disclosures under ESRS S3. Consequently, there are no specific policy provisions relating to indigenous peoples.

Human rights commitments: monitoring, collaboration, remediation. The Transelectrica Group is committed to respecting the human rights of the communities affected, aligning itself, in terms of principles and governance, with the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. These commitments are reflected in the conduct and integrity policies, environmental policies and public consultation practices applicable to projects involving direct interaction with communities.

Respect for the rights of communities: The Group aims to prevent significant adverse impacts on communities through project planning, compliance with legal requirements and the implementation of measures to mitigate or compensate for any adverse effects, where appropriate.

Engagement with affected communities: engagement is carried out through mechanisms for informing, consulting and engaging in dialogue with relevant stakeholders (including local authorities and communities), particularly during the planning/approval phases and throughout the implementation of projects.

Resolution: The Group uses internal mechanisms for receiving and resolving complaints (including channels aligned with the G1 framework) and operational tools to investigate and address community concerns; the findings may lead to corrective measures and improvements in project and operational practices.

Alignment with international standards and cases of non-compliance. The Group's policies and practices regarding affected communities are aligned, as benchmarks for governance and conduct, with relevant international standards, including the UN Guiding Principles, the ILO Declaration and the OECD Guidelines. During the 2025 reporting period, in the context of operations carried out in Romania and internal monitoring/reporting processes, no cases of non-compliance with the UNGP, the ILO Declaration or the OECD Guidelines involving affected communities were reported in the Group's operations or within the relevant value chain; Consequently, there are no cases for which the nature of such non-compliance needs to be described.

Measures for dialogue, compensation and social responsibility

Transelectrica translates its principles and policies into concrete actions designed to ensure active dialogue with local communities, appropriate compensation for any impacts, and positive social engagement. Key measures include:

- **engagement with local communities** – The company places great emphasis on transparent communication and collaboration with the local community. Transelectrica maintains an open and ongoing dialogue with stakeholders, including local authorities and residents in the affected areas, in order to listen to their concerns and take their feedback on board. In accordance with legal requirements, public consultations and local information sessions are organised prior to the launch of major projects, ensuring that the voice of local communities is heard. There are also dedicated channels (regular meetings, contact points, online platforms) through which community members can report issues or express their views, with the Company undertaking to treat these reports seriously and to provide appropriate solutions;
- **compensation and mitigation** – Transelectrica respects the rights of landowners and local communities when carrying out infrastructure works. In situations where the use of private land is necessary or where local residents face difficulties, *fair compensation* and damages are provided in accordance with the law, demonstrating respect for the interests of the community. From the planning stage onwards, measures are taken to minimise the impact on the environment and property: from optimising route alignments to avoid sensitive areas as far as possible, to implementing protective measures on site (noise reduction, restoration of affected land, etc.). Social and environmental impact assessments (including *impact studies* and *environmental management plans*) form the basis for decisions, so that any significant adverse effects on communities are prevented or appropriately mitigated. A proactive approach in this regard helps to maintain the Company's *social licence to operate* and to foster a climate of mutual trust;
- **corporate social responsibility (CSR) initiatives** – in addition to managing direct impacts, Transelectrica voluntarily invests in the well-being and development of communities as part of its social commitment. In 2025, the Company continued its *corporate volunteering* programmes and community partnerships, as well as its social responsibility projects, through which numerous non-governmental organisations were supported. These investments reflect the Company's desire to make a positive long-term impact beyond its core business, strengthening its relationship with local communities through beneficial initiatives and contributing to their social development.

Policies relating to affected communities do not operate in isolation, but are closely linked to Transelectrica's overall development strategy. The company systematically integrates social and environmental objectives into its long-term strategic planning, thereby ensuring consistency between the development of energy infrastructure and its responsibility towards the community. Transelectrica's commitments to local communities and its corporate social responsibility initiatives are aligned with its strategic mission – to ensure the safety of the National Power System and to facilitate the transition to a sustainable energy future.

A sustainable approach to our relationship with local communities brings mutual benefits, contributing both to social well-being and to the Company's long-term success. By fostering open dialogue and transparency, Transelectrica strengthens its relationships of trust with the public and local authorities, which facilitates the implementation of strategic projects across the region. Furthermore, the fact that Transelectrica actively supports the development of local communities and takes their interests into account lends resilience to its business strategy: investment projects become more sustainable, social risks are mitigated, and the Company maintains its reputation as a *responsible leader* in the energy sector. As such, policies relating to affected communities are not merely a compliance obligation, but also a central element of Transelectrica's business

model, contributing to the achievement of its vision of sustainable growth and the harmonisation of economic and social objectives.

Relevant examples from 2025 that have had an impact on the community

To illustrate Transelectrica's approach, six social responsibility projects recently carried out by the Company – distinct from those described above – are presented below, reflecting its social objectives and its engagement with local communities:

- ***“Typhoon HIL 506 – training a new generation of energy engineers”***. A project carried out by the ALUMNI ELTH Association to support the training of students at the Faculty of Electrical Engineering and the Faculty of Energy Engineering at the Polytechnic University of Bucharest through the purchase and implementation of the Typhoon HIL 506, a state-of-the-art simulator that enables the creation, testing and real-time optimisation of digital models of electrical networks.
- ***Children's Health – mobile dental treatment***: Transelectrica has supported initiatives aimed at bringing vital medical services closer to vulnerable communities. One example is the sponsorship provided to the Merci Charity Boutique organisation for the project 'Dental prevention and treatment for children with disabilities at the “Curcubeul Magic” centre in Bucharest'. Through this initiative, 40 children with disabilities have received treatment to improve their oral health and well-being without having to travel – a positive social impact achieved with financial support from Transelectrica.
- ***“For our children”*** – An ambitious project run by the Doctors for Romania Association, dedicated to modernising and improving conditions in the paediatric ward of Curtea de Argeş Municipal Hospital to ensure that both children and doctors have access to safe and modern medical facilities.
- ***“Assistance for those affected by the floods of 27–28 July 2025 in the commune of Broșteni”*** – A social project initiated by the Romanian National Red Cross Society – Suceava Branch, focused on improving the living conditions of those affected by the floods by supporting them in returning to a life as close to normal as possible, in the shortest possible time. The floods in the Broșteni area resulted in three fatalities, left nearly 3,000 people affected, destroyed 40 homes and damaged 508 others.
- ***“Christmas in hospital for children, young people and adults with cancer”*** – A project implemented by the P.A.V.E.L Association with the aim of bringing the Christmas celebrations closer to children and adults with cancer who are undergoing treatment during the festive period at two hospitals in Bucharest, the Fundeni Clinical Institute and the Oncology Institute” Professor Dr Alexandru Trestioreanu.
- ***“Casa cu Bine”***– A project implemented by the “Atelierul de Bine” Association with the support of Transelectrica in 2024 and continued in 2025, with the aim of refurbishing the homes of four vulnerable families and renovating the Day Centre for children in the village of Pârscov (county of Buzău). The initiative provides building materials and covers the costs of the necessary work, so that these families can have safe and decent homes, and the children in the community can benefit from suitable facilities for educational activities and childcare. The direct beneficiaries are the four families in need (including their children) whose homes are being renovated, as well as the dozens of children in Pârscov who will attend the refurbished day centre.

These examples illustrate how the measures taken by Transelectrica in 2025 have had a tangible impact on the affected communities. Whether through providing direct assistance in times of crisis,

supporting education and culture, or getting involved in everyday community life, the Company has demonstrated its commitment to social responsibility. The measures described have helped to improve the quality of life for those affected, alleviated certain social pressures and created new opportunities, thereby confirming the effectiveness of the approaches adopted by Transeletrica S.A. in its dealings with the affected communities.

Processes for engaging with affected communities regarding impacts (S3-2)

The Transeletrica Group employs structured processes for engaging with affected communities to identify, prevent and manage the actual and potential impacts associated with infrastructure projects and physical operations (power lines, substations, construction sites), as well as to incorporate stakeholders' perspectives into the planning and implementation of mitigation measures. Collaboration is achieved through a combination of formal mechanisms (information and consultation during the authorisation and implementation phases) and ongoing communication and feedback mechanisms (including the Integrated Stakeholder Feedback System – SIF-PI), so that the views of local communities can inform decisions and help improve the Group's approach.

How do the views of affected communities contribute to decisions and activities?

Type of collaboration. Collaboration takes place both directly with the affected communities and through their legitimate representatives and credible stakeholders with knowledge of the local situation, in particular: local public authorities (town halls/county councils), institutions involved in the authorisation process, community representatives, as well as NGOs or other civic organisations where these are relevant to the project context.

The stages, type and frequency of collaboration. Collaboration is integrated into several stages of the project and operational lifecycle:

- *planning and design:* gathering feedback on routes, land use, sensitive areas and potential sources of discomfort;
- *authorisation:* communication and consultation in accordance with the applicable legal requirements, including information on impacts and mitigation measures;
- *Execution:* operational communication regarding site organisation (access, traffic, schedule), handling of complaints and ad hoc adjustments;
- *Operation and maintenance:* handling reports/complaints and communicating details of planned works or interventions.

The frequency of collaboration depends on the project and the intensity of activities in the area in question, including regular interaction during the authorisation and implementation phases, as well as ad hoc management of complaints or specific situations.

The function and role of the most senior (operational) manager. Within each entity of the Group, senior management has the operational responsibility to ensure that processes for engaging with affected communities are implemented and that the outcomes of these processes are incorporated into relevant decisions (planning, mitigation measures, communication and remediation). Implementation is supported by the relevant operational and specialist functions

(e.g. investment/project development, environment, legal, communications, health and safety, and integrated management), depending on the nature of the matter and the stage of the project.

Assessing the effectiveness of collaboration. The effectiveness of the collaboration is assessed through relevant results and operational indicators, such as: a reduction in the escalation of conflicts, resolving complaints within a reasonable timeframe, adapting site organisation and measures to minimise disruption, as well as through feedback collected via SIF-PI (including the standard feedback form), which enables the identification of recurring issues and the continuous improvement of the approach.

Understanding the perspectives of vulnerable and marginalised communities and specific groups. The group aims to understand the perspectives of communities that may be more vulnerable to the impacts (for example, communities directly affected by temporary access restrictions or prolonged disruption associated with construction sites, densely populated residential areas, and communities heavily reliant on access to agricultural land), by tailoring communication, conducting targeted consultation where necessary, and incorporating feedback into the SIF-PI. Where specific concerns of certain community groups are identified (for example, older people, parents with children, people with reduced mobility), these are taken into account when tailoring information measures and solutions to minimise disruption.

Indigenous peoples. In the context of the Group's activities in Romania, no indigenous communities relevant to this reporting have been identified; requirement 23 does not apply.

If there is no general process for collaboration. Not applicable. The Group has established processes for engaging with affected communities, which are integrated into the project cycle and supported by communication and feedback mechanisms (including SIF-PI), enabling the collection and incorporation of community perspectives into decisions regarding project planning, impact mitigation measures and the management of complaints.

Processes for addressing negative impacts and the channels through which affected communities can voice their concerns (S3-3)

General approach and remedial processes; assessment of effectiveness. The Transelectrica Group adopts a proportionate approach to preventing and mitigating significant negative impacts on affected communities, particularly in the context of infrastructure projects and physical operations (power lines, substations, construction sites). Where it finds that it has caused or contributed to a significant adverse impact (e.g. prolonged disruption, access restrictions, temporary land disturbance, local impacts associated with construction sites), the Group implements remedial measures, which may include: public clarification and communication, adjustments to the organisation of works, restoration/compensation measures in accordance with the applicable legal framework, and corrective actions in relation to contractual partners, as appropriate. The effectiveness of the resolution is assessed by closing the case, verifying that the measures have been implemented and preventing recurrence, including by analysing subsequent feedback and recurring issues.

Specific channels for raising concerns; internal/external mechanisms. Affected communities can raise their concerns and needs directly with the Group through channels established by the company, in particular:

- The Integrated Stakeholder Feedback System (SIF-PI), which includes a standard feedback form (with the option to submit anonymously, where appropriate) and a 'feedback loop' process (recording–categorisation–response–closure);
- public contact channels (online form/general enquiries, correspondence and public enquiries), used for requests, complaints and clarifications in dealings with the public, particularly in relation to projects and works.

At the same time, reports concerning integrity issues or breaches of the law are handled separately through the channels established under the integrity framework (G1), with confidentiality and protection against retaliation. The Group does not currently use a third-party mechanism dedicated exclusively to affected communities; communities may, where appropriate, make use of the legal and regulatory mechanisms applicable in Romania.

Processes to support channel availability through business relationships. The Group also supports the availability of these channels through its business relationships, particularly in projects and activities carried out with contractors, by means of communication and conduct requirements, operational coordination and expectations regarding the handling of reports. In its site operations, the Group aims to ensure that community concerns can be reported and addressed promptly, including by escalating them to the relevant departments within the Group and, where appropriate, to the responsible contractual partners.

Monitoring issues and ensuring the effectiveness of communication channels. Issues raised through feedback and reporting channels are recorded, analysed and forwarded to the relevant departments, with follow-up to ensure they are resolved. The effectiveness of the channels is monitored using operational process indicators (e.g. response times, resolution times, recurring issues) and by using aggregated feedback to improve preventive measures within projects. Reputational analysis is used as a complementary tool to identify sensitive issues and adapt communication strategies, without replacing formal reporting channels.

Awareness of and trust in reporting channels; protection against retaliation (see G1). The Group assesses, on a case-by-case basis, whether the affected communities are aware of and trust the available channels through: the use of SIF-PI (response rate and issues raised), feedback from consultations and interactions with local authorities and communities in projects, as well as through the analysis of recurring issues. Protection against retaliation for individuals who use the reporting channels is ensured through the integrity policies and procedures described in ESRS G1-1, which apply to reports made in good faith.

If there is no channel or time slot. The Group has channels through which affected communities can raise concerns (SIF-PI and public contact channels) and integrity channels aligned with G1. At present, there is no separate, dedicated policy focused exclusively on resolving complaints from affected communities; further strengthening and formalisation of the framework (including the internal standardisation of the resolution process) will be considered in future reporting cycles, depending on materiality and the maturity of data collection.

The adoption of measures addressing significant impacts on affected communities and approaches to managing significant risks and pursuing significant opportunities relating to affected communities, as well as the effectiveness of these actions (S3-4)

The Transelectrica Group manages the social impacts associated with its projects and operations through an integrated approach that combines prevention, consultation, monitoring and remediation. These processes apply across the Group's entities and focus in particular on communities located near infrastructure and investment projects (lines, stations, construction sites), where temporary disruption, land occupation or disruption, and health and environmental concerns may arise.

Measures to address significant impacts: prevention, remediation, positive initiatives and effectiveness assessment

Preventing/mitigating negative impacts. The group implements prevention and mitigation measures by:

- project planning that incorporates environmental and regulatory requirements, including measures to minimise disruption to the public (e.g. site organisation, access management, restoration of affected areas, where appropriate);
- consultation and communication with local authorities and communities, particularly during the planning and authorisation stages and throughout the implementation phase;
- the use of technical solutions and operational practices that reduce environmental impact and disturbance in the vicinity of residential areas, where relevant.

Solutions for real-world challenges. In the event of actual impacts (e.g. reports or complaints regarding discomfort, access, land restoration or other project-related effects), the Group addresses these situations through analysis, dialogue and proportionate corrective measures (e.g. adjustments to the organisation of works, restoration measures, clarifications to the community, remedial actions within the limits of legal and contractual obligations), aiming to resolve them until closure.

Initiatives with a positive impact. The Group seeks to make a positive impact through corporate social responsibility programmes and local partnerships (in education, health, community support and volunteering), which complement its role as a public utility provider and help to strengthen its relationship with local communities.

Assessment of effectiveness. Effectiveness is assessed by: the resolution of complaints, a reduction in the recurrence of problems in similar projects, feedback received through consultation mechanisms and feedback tools, as well as through reputation and perception indicators (including an aggregated analysis of media coverage).

Reputation monitoring (control/learning tool). In order to monitor the reputational risk associated with information in the public domain regarding the Group's activities, an aggregated analysis of media coverage was carried out. The results were:

News category	Number of items		% of items	
	2024	2025	2024	2025
Neutral news	11543	11905	91.42%	91.53%
Good news	724	822	5.74%	6.32%
Negative news	359	280	2.84%	2.15%
All news	12626	13007	100%	100%

This analysis helps to identify issues of concern to communities at an early stage and to tailor communication and preventive measures accordingly, but it does not replace formal reporting channels.

Processes for identifying appropriate actions and addressing specific impacts

Identifying the necessary actions. Actions are identified on the basis of: authorisation requirements and public consultation, impact assessments (where applicable), observations made in the field during project implementation, complaints received through the available channels, and feedback collected via dedicated tools.

The approach to specific impacts and the link to internal practices (land use/planning/construction/operation). The Group incorporates social considerations into project planning and implementation, including by assessing project acceptability, the feasibility of securing land rights, and managing relations with local authorities and communities. In projects, measures are implemented to organise the construction site and minimise or mitigate disruption, and, where appropriate, design solutions are sought to reduce the impact on sensitive areas.

The availability and effectiveness of repair processes. Remedial processes are available through reporting and feedback channels and through consultation mechanisms and public meetings, and their effectiveness is monitored by closing cases, documenting the measures taken and improving practices in subsequent projects.

Measures for significant risks and opportunities; monitoring effectiveness

Mitigation of significant risks. The Group mitigates significant risks (such as community opposition, reputational risks and implementation delays) through transparent communication, consultation, strict compliance with legal and environmental requirements, and measures to reduce or compensate for any inconvenience. Effectiveness is monitored by tracking the number of complaints, the progress of project approvals and implementation, and by analysing recurring themes in feedback and in the public sphere.

Tracking opportunities. Opportunities are pursued by creating social value through CSR programmes and improving the predictability of investment implementation through local support.

Avoiding causing or contributing to negative impacts through our own practices. The Group aims to avoid causing or contributing to significant negative impacts on affected communities by integrating social and environmental requirements into project planning, land acquisition and use practices (where applicable), site organisation and management, and infrastructure operation. Where there is a conflict between implementation deadlines and the need to prevent or mitigate impacts, the Group prioritises legal compliance, safety and measures to reduce or compensate for any inconvenience.

Serious human rights issues and incidents. In 2025, no serious human rights issues or incidents relating to affected communities were reported within the Transelectrica Group as part of its internal monitoring and reporting processes.

Channels for raising concerns: reports, complaints and feedback (in line with G1 and SIF-PI). The Group does not currently have a separate policy dedicated exclusively to resolving community complaints, but it uses existing channels and mechanisms to receive and resolve complaints:

- stakeholder feedback tools (SIF-PI), including a standard form (with the option to submit anonymously, where appropriate) and mechanisms for collecting and closing feedback;
- public contact channels (online form, post, telephone), used for general enquiries and complaints;
- Reporting mechanisms aligned with the integrity framework (G1) are handled separately for integrity concerns and breaches of the law, with confidentiality and protection against retaliation.

Complaints and feedback are analysed, forwarded to the relevant departments and monitored until resolved, whilst recurring issues are used to continuously improve preventive measures and communication.

Allocated resources. The Group allocates resources to manage the impacts on affected communities through: functions and responsibilities within the areas of projects/investments, the environment, communication and integrated management, as well as through resources for consultation, communication, the operation of feedback mechanisms (SIF-PI) and the implementation of measures to mitigate or compensate for disruption caused by projects.

Targets relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of significant risks and opportunities (S3-5)

In 2025, the Transelectrica Group pursued a set of operational targets and objectives relevant to the affected communities, linked to the significant impacts and risks identified (local disruption associated with projects, social acceptance, reputational risks) and to opportunities for creating social value:

1. Reducing/mitigating the negative impacts of projects on communities

- *Operational objective:* the integration of prevention and mitigation measures into projects (planning, authorisation, site organisation), so that disruption to the public is minimised and legal requirements regarding public health and the environment are met (including compliance with applicable limits for electromagnetic fields and safety requirements for installations).
- *Scope:* projects and works involving direct interaction with affected communities in Romania.
- *Monitoring:* through project/environmental processes, public consultation and the management of complaints/feedback (S3-2/S3-3).

2. Ensuring uninterrupted power supply and mitigating the social impact of outages

- *2025 Target:* full (100%) implementation of the annual maintenance programme for the electricity transmission network, to support the stability of the infrastructure and reduce the risk of unplanned outages affecting communities.
- *Scope:* maintenance operations on the transmission network.
- *Monitoring:* through internal reports on the implementation of the maintenance programme and operational indicators.

3. Promoting positive impacts in communities (social value/CSR)

- *Target areas* (defined annually): youth education and development, humanitarian and health initiatives, community development and environmental protection, as part of the Corporate Social Responsibility Policy.
- *Monitoring*: through annual reporting on sponsorships and CSR projects (amounts, areas, outcomes/beneficiaries), supplemented by feedback from partners and communities.

The process of setting targets and engaging with affected communities. The above targets and objectives are established and monitored through a process that integrates: legal requirements (regulatory/environmental), internal investment and maintenance planning, as well as the perspectives of local stakeholders (local authorities, communities and NGOs), collected through the collaboration mechanisms described in S3-2 and through the feedback/complaint channels described in S3-3 (including SIF-PI).

- *Setting targets*: During the project planning and authorisation phases, the Group takes into account the comments and concerns of local communities (e.g. routes, access, disruption, sensitive areas), as well as the conditions imposed during the authorisation processes, in order to tailor mitigation measures and project objectives.
- *Performance monitoring*: performance is monitored through operational indicators (e.g. the execution of the maintenance programme, the implementation of mitigation measures in projects), through the management of feedback and complaints, and through annual CSR reports.
- *Lessons learnt and improvements*: lessons learnt are incorporated into updates to communication practices, site organisation measures and the CSR approach, based on recurring themes in feedback, operational conclusions and internal assessments.

CHAPTER V

Governance issues – G1

1. Professional conduct (G1 1–6)

The role of the management (Management Board) and supervisory bodies (Supervisory Board) (GOV-1)

Transelectrica Group's professional conduct is underpinned by its corporate governance framework, the obligations incumbent upon a listed company, and the requirements applicable to a transmission and system operator in a regulated sector. Through internal integrity policies and compliance mechanisms, the Group aims to maintain an ethical, transparent and predictable organisational culture in its dealings with stakeholders.

The role of management and supervisory bodies in professional conduct. Under the two-tier management system, the Supervisory Board oversees professional conduct by monitoring compliance and the internal control framework, including through advisory committees. In particular, the Audit Committee supports the Board in the areas of internal control and risk management and, where appropriate, monitors compliance with non-financial reporting obligations, thereby helping to strengthen the framework for integrity and transparency. The Management Board is responsible for ensuring professional conduct through the implementation of relevant policies, the incorporation of integrity requirements into internal processes, and the monitoring of compliance.

The corporate culture is founded on principles of ethics and compliance, as set out in the Code of Ethics, which has been approved by the Supervisory Board and implemented by the Management Board; this code sets out the expected conduct for employees and, where applicable, for business partners. In addition, the Anti-Fraud and Anti-Corruption Policy (including the section on the protection of whistleblowers) establishes mechanisms for the prevention, detection and handling of irregularities and supports the consistent application of the principles of integrity.

The expertise of management and supervisory bodies regarding professional conduct. Transelectrica's statutory bodies are appointed in accordance with Government Emergency Ordinance No. 109/2011, ensuring professional and responsible management. At the same time, the Company's listing on the Bucharest Stock Exchange requires compliance with strict standards of transparency, compliance and reporting, thereby reinforcing ethical and responsible conduct in its dealings with investors and business partners.

The necessary expertise in professional conduct is underpinned by the skills profile of the statutory bodies, which includes relevant experience in areas such as energy/infrastructure, executive management, finance and banking, and corporate governance, as well as legal and administrative skills – elements that support an understanding of compliance obligations, conduct risks and the requirements applicable to a listed and regulated company.

The Management Board uses these powers in applying the conduct of business framework and in managing compliance mechanisms, whilst the Supervisory Board uses them in carrying out its supervisory role, including through the advisory committees where appropriate.

In addition, the management and supervisory bodies are supported by specialised internal functions (e.g. legal/compliance, internal audit, risk management, human resources), which provide analysis and reporting on conduct risks, relevant incidents and control measures, thereby helping to maintain adequate supervisory and decision-making capacity in this area.

At the same time, the Anti-Fraud and Anti-Corruption Policy, approved by the Board of Directors, establishes strict mechanisms for preventing, detecting and combating fraud, thereby strengthening Transelectrica's integrity and compliance framework. Furthermore, the Policy on the Protection of Whistleblowers (an integral part of the Anti-Fraud and Anti-Corruption Policy) provides safeguards for employees and third parties, encouraging the reporting of irregularities in a secure and confidential manner.

By implementing these policies, Transelectrica is fostering a corporate culture based on integrity, transparency and respect for ethical standards, thereby strengthening the trust of its investors, authorities and partners.

In the case of the subsidiaries Teletrans and Smart, Transelectrica does not interfere in their management beyond the rights and obligations incumbent upon it as a shareholder, within the limits of the applicable framework, including Government Emergency Ordinance No 109/2011. The subsidiaries exercise their management and governance functions through their own statutory bodies and ensure compliance with the corporate governance requirements set out in Government Emergency Ordinance No 109/2011, including in relation to professional conduct and integrity.

At the level of each subsidiary, the governing bodies and executive management are responsible for establishing and enforcing standards of professional conduct by adopting and implementing the relevant internal codes and policies (e.g. code of conduct and ethics, prevention of conflicts of interest, compliance and integrity mechanisms). At the same time, they ensure compliance with the applicable framework is monitored, non-compliance is managed and measures to prevent corruption are adopted, thereby helping to maintain an organisational culture based on transparency, accountability and adherence to corporate governance standards.

Policies on professional conduct and corporate culture (G1-1)

Policies and the promotion of corporate culture. Transelectrica bases its corporate culture and professional conduct on an internal framework of integrity and compliance, formalised in the Code of Ethics (updated in accordance with Supervisory Board Decision No. 9/24 February 2025) and applicable to management and employees, which sets out values, rules of conduct, requirements regarding anti-corruption, conflicts of interest, gifts/invitations and obligations to report breaches.

In addition, the Anti-Fraud and Anti-Corruption Policy establishes a zero-tolerance approach to fraud and corruption, and sets out responsibilities, training/awareness-raising, and mechanisms for reporting and investigating suspected cases.

The framework is underpinned by dedicated procedures for the protection of whistleblowers and the handling of reports (including internal channels and confidentiality rules, in line with Law No. 361/2022), as well as procedures and methodologies concerning preventive anti-corruption measures and corruption risk management (identification–assessment–measures–monitoring), linked to the Integrity Plan within the framework of the National Anti-Corruption Strategy.

Establishing, developing, promoting and evaluating corporate culture. Corporate culture is established through the Code of Ethics and integrity policies (anti-fraud and anti-corruption), which define the values, rules of conduct and expectations regarding professional behaviour. This

is developed and promoted through the internal communication of rules and responsibilities, through regular training and information sessions on integrity, corruption prevention and reporting channels, as well as through the implementation of preventive anti-corruption measures and the methodology for managing corruption risks in the relevant processes.

In 2025, Transelectrica organised the course “*Preventing and tackling workplace harassment*”, which was attended by 290 employees out of a total of 300 employees included in the initial plan. The course was delivered in accordance with the legal obligations applicable to employers, as set out in Article 7(4)(e) (4)(e) of the Methodology on the prevention and combating of gender-based harassment and psychological harassment in the workplace, approved by Government Decision No. 970 of 12 October 2023, which provides for the annual organisation of training courses to inform and instruct employees on the provisions of the methodology. To this end, the Company aims to provide training to the relevant staff on a phased basis, depending on operational availability and the scheduling of training sessions.

The assessment of corporate culture is carried out by monitoring the implementation of the integrity framework, including through the analysis of reports received via dedicated channels (whistleblowers), incidents/breaches and the corrective measures ordered, as well as through the periodic review of corruption risks and the effectiveness of preventive measures, in accordance with the applicable internal procedures.

Mechanisms for identification, reporting and investigation. Transelectrica has established internal mechanisms for identifying, reporting and investigating suspicions of unlawful conduct or conduct that contravenes the Code of Ethics or internal regulations, as part of its anti-fraud and anti-corruption policy and related procedures. Reports may be submitted via the internal channels designated for whistleblowers, which are subject to rules on confidentiality and the handling of reports; these reports are received, recorded and analysed in accordance with the applicable procedure, including through a preliminary assessment and, where appropriate, the initiation of an internal investigation.

The mechanisms allow reporting by **internal stakeholders** (employees, staff) and, where appropriate, by **external stakeholders** (e.g. contractors or other partners), insofar as they use the channels made available or submit reports to the responsible bodies. Investigations are conducted objectively, within the scope of internal remit, and the findings may lead to corrective action, including disciplinary measures and/or referral to the relevant authorities, as appropriate, in accordance with internal policies and procedures.

To prevent the risks of corruption, Transelectrica is implementing:

- *System procedure on corruption prevention measures*, which ensures the identification, assessment and management of corruption risks;
- *Methodology for managing corruption risks*, which sets out control and prevention measures tailored to the factors that increase the likelihood of corruption, with the aim of keeping these risks to a minimum and minimising their impact on the Company’s activities;
- *Mechanisms for reporting and sanctioning breaches of ethical standards*, which enable the prompt identification and resolution of non-compliant practices.

Protecting whistleblowers

(i) *Internal reporting channels for whistleblowers.* The company has established internal reporting channels for whistleblowers, with rules governing the confidentiality of the whistleblower's and the person concerned's identities, the recording of reports, acknowledgement of receipt and the handling of such reports. Employees are informed of the existence of reporting channels (departamentanticoruptie@transelectrica.ro) and how to use them through internal communications and relevant materials, and the staff designated to receive and handle reports have duties defined by procedure and are trained to comply with legal requirements and to treat reports confidentially.

(ii) *Protection against reprisals.* In accordance with the legal framework, Transelectrica implements protective measures for whistleblowers acting in good faith, including a ban on retaliation, the preservation of confidentiality, restrictions on access to information regarding the whistleblower's identity, and the assurance of an objective analysis and investigation process, so that irregularities can be reported safely and with due respect for the rights of all parties involved.

The prompt, independent and objective investigation of incidents relating to professional conduct. In addition to the procedures for following up on whistleblower reports set out in the applicable legal framework, Transelectrica has internal mechanisms in place for analysing and investigating incidents relating to professional conduct, including suspected corruption and the giving or receiving of bribes, in accordance with its anti-fraud and anti-corruption policy and related internal procedures. Investigations are initiated and conducted within a reasonable timeframe, whilst respecting the confidentiality and rights of those involved, following a preliminary assessment of the complaint and the collection of relevant documentation.

To ensure impartial handling, responsibilities are assigned to the relevant internal departments, separate from the operational functions involved, and the findings may lead, where appropriate, to corrective measures, disciplinary action or referral to the competent authorities, in accordance with internal regulations and applicable legislation.

Positions exposed to risk. Within Transelectrica, the roles considered to be at high risk of corruption and bribery are those classified as "*sensitive roles*" within the meaning of PS TEL-10.05 – Sensitive Roles, i.e. positions with a significant/high risk of undermining the Company's objectives through the misuse of resources or through acts of corruption/fraud. In practice, these mainly include roles involved in: public procurement and the selection of suppliers/contractors, contract management and administration (including authorisation/approval), access to financial, material or informational resources, the issuing or signing of approvals, authorisations or documents with financial implications, as well as roles with exclusive decision-making powers or with the potential for a conflict of interest. This also applies to roles involved in the procurement and verification of projects funded by public/EU funds (including the verification of reimbursement claims), as well as roles relating to control, supervision, evaluation, audit, and recruitment and selection.

Sensitive functions are identified annually at the level of organisational units, based on an analytical table and risk factors (internal/external), with scores ranging from 1 to 3; functions classified as highly sensitive are included in the Company-wide Register of Sensitive Functions, which is reviewed and then approved by the Board of Directors.

With regard to the management and supervisory bodies, both the Management Board and the Supervisory Board of Transelectrica operate in strict compliance with applicable legislation and statutory documents, ensuring adherence to the principles of transparency, integrity and

objectivity in decision-making. To this end, the Company implements clear mechanisms for the prevention, identification and management of conflicts of interest, in line with national and European requirements on corporate governance.

As regards its subsidiaries, Teletrans and Smart uphold their own corporate culture and professional conduct through internal integrity policies and mechanisms, which apply to both management and staff.

Teletrans adheres to a Code of Ethics and Integrity and has drawn up an Integrity Plan in line with the National Anti-Corruption Strategy, as a tool for strengthening compliance and professional conduct. To complement the integrity framework, Teletrans has a dedicated procedure entitled 'Sensitive roles and corruption risks' (code TLT-PS.07), which provides for the annual inventory of sensitive functions, the compilation of the relevant list and register, the assessment of corruption risks on a scale of 1–3 for probability and impact (and the determination of the level of exposure), as well as the development of an action plan to mitigate risks and their periodic monitoring/review.

Similarly, Smart applies an internal code of conduct (Code of Ethical Conduct/Internal Regulations), with zero tolerance for breaches, which is communicated to employees and partners alike, with a view to maintaining an organisational culture based on accountability and compliance. To complement the integrity framework, at the Smart subsidiary level, corruption and fraud risks are also addressed by identifying and managing sensitive roles, through the compilation of an inventory of sensitive roles and an internal list of staff holding these roles. The inventory covers both management/coordination roles and roles involving specific exposure (e.g. legal, human resources, finance, health and safety, administration), at both head office and branch level, and is used to implement preventive measures and related controls.

Prevention and detection of corruption and the giving or taking of bribes (G1-3)

System for the prevention, detection, investigation and response to corruption and bribery (including training). Transelectrica has implemented an integrated system for the prevention, detection, investigation and response to allegations or incidents relating to corruption and bribery, based on the integrity framework (Code of Ethics), the Anti-Fraud and Anti-Corruption Policy, preventive procedures and reporting mechanisms (including whistleblowers), as well as on the management of corruption risks and the identification of sensitive functions.

Incidents are detected and investigated through clear analysis and reporting procedures, thereby ensuring a prompt and effective response.

The *System Procedure on Anti-Corruption Preventive Measures* adopted by Transelectrica establishes a clear framework for the prevention and reporting of acts of corruption, thereby helping to maintain an ethical and transparent working environment, in accordance with the legal and integrity standards promoted by the Company.

Preventing corruption is essential to maintaining public trust and the Company's operational efficiency; therefore, the main objectives of the procedure include:

- *corruption prevention* – implementing preventive measures to reduce the risks of corruption within the Company;

- *detection and reporting* – establishing an effective system for detecting and reporting incidents of corruption;
- *punishing acts of corruption* – ensuring that any act of corruption is investigated and punished appropriately;
- *promoting integrity* – creating and maintaining an organisational culture based on integrity and transparency;
- *compliance with the law* – ensuring compliance with all relevant national and international laws and regulations.

Procedures for the prevention, detection and resolution of allegations/incidents

(i) *Prevention*: is achieved through integrity policies and procedures (zero tolerance), preventive anti-corruption measures and a corruption risk management process; in addition, the Company identifies and manages sensitive (high-risk) functions, applying control measures such as segregation of duties, multiple checks/approvals and other organisational controls.

(ii) *Detection and reporting*: these are ensured through channels for reporting breaches of ethical or legal standards, including:

- the ethics channel for breaches of the code of ethical conduct;
- the public interest whistleblowing channel (including the option to report anonymously) managed by the Anti-Corruption and Integrity Department, in accordance with the internal procedure 'Public Interest Whistleblower'.

(iii) *Resolution / response*: complaints are recorded, analysed and, where appropriate, investigated; depending on the findings, corrective measures are ordered, including disciplinary action and/or referral to the competent authorities, where appropriate, within the limits of the legal and internal framework.

The separation of the investigators/investigation committee from the management chain involved. Investigations into suspected breaches of integrity (including corruption and the giving or receiving of bribes) are handled by designated bodies (e.g. Anti-Corruption and Integrity Department) and by internal audit/ethics functions, so that the analysis is carried out separately from the operational units involved in the reported incident, as far as possible. In addition, the 'sensitive functions' mechanism provides for controls such as the segregation of duties and multiple checks and approvals, thereby reducing the risk of undue influence in vulnerable areas.

Reporting results to management and supervisory bodies. The results of relevant activities are reported primarily to senior management as part of internal compliance and control processes.

Where issues are relevant to internal control or governance-level risks, they may be reflected, where appropriate, in regular reports to the relevant supervisory bodies or committees (e.g. the Audit Committee), subject to confidentiality and the applicable internal framework.

Communicating policies to the relevant parties. Transelectrica communicates its integrity and anti-corruption policies to the relevant groups via internal channels and, where appropriate, external channels, so that the documents are accessible and can be applied in practice. Within the Company, policies and procedures are published via internal channels (including the intranet) and are accompanied, where appropriate, by regular briefings and training sessions aimed at

clarifying standards of conduct, rules on conflicts of interest and how to use the reporting channels. For staff in sensitive roles or with a higher exposure to the risks of corruption or bribery, this communication is supplemented, where appropriate, by ad hoc training sessions and operational guidance on the applicable controls.

Furthermore, the Anti-Fraud and Anti-Corruption Policy is also publicly available on the Transelectrica website, to facilitate access by relevant stakeholders to the Company's integrity framework. In dealings with external parties (e.g. suppliers/contractors), the relevant policies are communicated, where appropriate, through contractual provisions and/or specific notifications, to the extent necessary to ensure an understanding of the integrity requirements and the consequences of non-compliance.

In relations with stakeholders in the value chain, the anti-fraud and anti-corruption framework applies, where appropriate, to interactions with business partners and subcontractors, and suspicions of fraudulent or corrupt behaviour may be reported through existing channels and are analysed/investigated appropriately, regardless of the position of the person involved or their relationship with the Company, with applicable measures being taken where appropriate.

In 2025, the Transelectrica Group did not record any incidents of corruption. Furthermore, in 2025, no dedicated training programmes on combating corruption and the giving or taking of bribes were organised or required by the company.

Reporting year	Number of complaints	Incident	Status	Remedial measures
2024	0	None	NA	NA
2025	0	None	NA	NA

Applicable to Teletrans and Smart branches. With regard to their subsidiaries, Teletrans and Smart implement, at the level of each entity, their own mechanisms for preventing, detecting and responding to the risks of corruption and bribery, in accordance with the applicable corporate governance obligations (including Government Emergency Ordinance No. 109/2011) and internal control processes.

In the case of Teletrans, this framework is underpinned by the Code of Ethics and Integrity and the implementation of an Integrity Plan in line with the National Anti-Corruption Strategy; Furthermore, the Company has advisory committees at Board of Directors level (including audit and risk management) and utilises internal risk management procedures; to prevent corruption risks, it explicitly addresses sensitive functions and associated risks through dedicated procedures.

At Smart, the prevention and detection of corruption and bribery risks are supported by the internal code of conduct (Code of Ethical Conduct and Internal Regulations), internal control mechanisms and the existence of audit and management control functions, and the preventive component is reinforced by the identification and monitoring of sensitive roles (inventory and internal list of staff assigned to such roles), used as a tool for traceability and the application of controls.

NPG CO. TRANSELECTRICA

CONSOLIDATED ANNUAL REPORT

2025



Supervisory Board Report on the Consolidated Financial Statements

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

The consolidated financial statements for 2025 are audited, which means that all significant information reflected in the main balance sheet items is relevant, reliable, comparable and pertinent.

The 2025 Consolidated Annual Report provides a true and fair view of the Group's results for the financial year 2025.

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

With special consideration,

The Supervisory Board represented by

Chairman

RESPONSIBLE PERSONS' STATEMENT

To the best of our knowledge, the set of Consolidated Financial Statements as of and for the 12-month period ended December 31, 2025 prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 give a true and fair view of the financial position and profit and loss account of the Group. To the best of our knowledge, the set of Consolidated Financial Statements as of and for the 12-month period ended December 31, 2025 prepared in accordance with the International Financial Reporting Standards (IFRS-EU) give a true and fair view of the financial position and profit and loss account of the Group.

The Consolidated Annual Report of the Management Board includes correct and fair information regarding the development and performance of the Group, as well as a description of the main risks and uncertainties specific to the activity carried out.

Bucharest, March 18, 2026

Directorat,

Ștefăniță

MUNTEANU

Directorate Chairman

**Cătălin-Constantin
NADOLU**

**Directorate
Member**

**Cosmin-Vasile
NICULA**

**Directorate
Member**

**Florin-Cristian
TĂTARU**

**Directorate
Member**

Content

TRANSELECTRICA PARTICIPATIONS.....	<i>Error! Bookmark not defined.</i>
Identification INFORMATION	8
Governance structures	9
ACTIVITIES OF SUBSIDIARIES	10
I. Economic and financial situation according to financial figures OMFP 2844/2016	16
Indicators OMFP 2844/2016.....	20
II. Economic and financial situation according to financial figures IFRS-UE	21
Indicators IFRS-UE.....	25
Important events.....	26
Disputes	28
SUBSEQUENT EVENTS	33

Transelectrica participations

Equity	Intake	Investment date	% participation as of 31.12.2025
SMART SA	38.528.600 RON	October 16, 2001	100%
TELETRANS SA	6.978.480 RON	December 4, 2002	100%
OPCOM SA	30.687.300 RON	August 15, 2000	97.84%
BRM	28.000 RON		0.35%
TSC NET (it is legally owned by 16 TSO operators from 12 European countries)	2.207.160 RON	HAGEA no.9/05.06.2018	6.25%
Joint Allocation Office SA - JAO (JAO is legally owned by 26 TSO operators from 23 European countries)	1.231.923 RON	HAGEA no.10/ 20.08.2018 (affiliation became effective starting with 01.11.2019)	3.85%
Geco Power Company Green Energy Corridor Power	3.750.000 RON	January 29, 2025	25%

Among the entities in which the Company has financial investments, the companies Smart and Teletrans are included in the Group's financial consolidation scope. When preparing consolidated financial statements, the financial statements of the parent company and the companies to be consolidated are consolidated by the global integration method, combined line by line by aggregating similar items of assets, liabilities, equity, income and expenses. The financial statements should present financial information about the Group as a single economic entity, thus eliminating intragroup balances and transactions.

The newly established company GECO is included in the consolidation scope as a jointly controlled company, a Join Venture. Thus, the consolidated financial statements include the Group's share of the results of GECO based on the equity method. Since the shares of GECO were acquired at the time of its establishment, no goodwill was recorded.

SMART



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

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

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

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

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

The subscribed and paid-up share capital as of December 31, 2025 is RON 38,529 thousand, with Transelectrica being the sole shareholder. The SMART company's results are consolidated with the Company's financial results.

SMART shares are 100% owned by Transelectrica.

TELETRANS



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

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

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

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

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

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

The subscribed and paid-up share capital as of December 31, 2025 is RON 6,978 thousand, with Transelectrica being the sole shareholder. The results of the Teletrans subsidiary are consolidated with the financial results of the Company.

TELETRANS shares are 100% owned by Transelectrica.

GECO POWER COMPANY

The Company was established on January 21, 2025 according to the Articles of Association, is a Romanian legal entity established in the form of a limited liability company.

The company was established in accordance with:

- Agreement of December 17, 2022 between the governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the field of development and transportation of green energy, taking into account the joint initiative of Georgia and Romania for the development and implementation of the Black Sea submarine cable project and the ongoing feasibility study for this project that began on April 11, 2022, initiated by Georgia and joined by Romania and the Republic of Azerbaijan,
- Memorandum of Understanding on the establishment of a Joint Venture company between the relevant entities of the governments of the Republic of Azerbaijan, Georgia, Romania and Hungary signed on 25.07.2023 in Bucharest, by which Transelectrica is designated as the relevant party for Romania,
- Memorandum of Understanding between the relevant ministries of Romania, the Republic of Azerbaijan, Georgia, Romania and Hungary on cooperation in the field of green energy, signed on 21.11.2023 in Budapest (Hungary)

- Minutes of the seventh ministerial meeting on the understanding on the strategic partnership in the field of development and transportation of green energy between the governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on May 15, 2024 in Tbilisi,
- Memorandum of Understanding by which the Parties agree to make the necessary efforts to undertake the steps regarding the establishment of a Joint Venture company, headquartered in Romania, between Transelectrica, AzerEnerji JSC, Georgian State Electrosystem and MVM Zrt., signed on May 27, 2024 in Bucharest,
- Decision no. 4 of the Extraordinary General Meeting of Shareholders dated August 12, 2024 by which the Extraordinary General Meeting of Shareholders of the Company approved the Company's participation in the share capital of a new company, along with the other relevant parties designated at the level of the Republic of Azerbaijan, Georgia, and Hungary, with the exception of the main object of activity which will be "Activities of holding companies" activity coded CAEN 642, respectively 6420

The company's headquarters are in Romania, Bucharest, Sector 3, 2-4 Olteni Street, office no.306, the object of activity of the company is Activities of holding companies.

Upon incorporation, the share capital of the company shall be 15 mil lei, of which 15 mil lei, cash contribution, being divided into a number of 1,500,000 shares, with a nominal value of 10 lei/share.

The share capital is held by the shareholders as follows:

- „AZERENERJI” Open Joint Stock Company contribution to the subscribed share capital 20% representing a number of 375,000 shares, with a nominal value of 10 lei/share and in the total amount of 3,750,000 lei, profit sharing 25% and loss sharing 25%
- JSC Georgian State Electrosystem, contribution to the subscribed share capital 20% representing a number of 375,000 shares, with a nominal value of 10 lei/share and in the total amount of 3,750,000 lei, profit sharing 25% and loss sharing 25%
- MVM Energy Private Limited Liability Company, contribution to the subscribed share capital 20% representing a number of 375,000 shares, with a nominal value of 10 lei/share and in the total amount of 3,750,000 lei, profit sharing 25% and loss sharing 25%
- Compania Națională de Transport al Energiei Electrice Transelectrica SA, contribution to the subscribed share capital 20% representing a number of 375,000 shares, with a nominal value of 10 lei/share and in the total amount of 3,750,000 lei, profit sharing 25% and loss sharing 25%

Transelectrica together with Georgian State Electrosystems, AzerEnerji and MVM Electrical Works, based on the Shareholders' Agreement, will implement the Green Corridor project, namely a high-voltage direct current submarine cable, which will connect, through the Black Sea, Romania and Georgia, with the connection being extended to Hungary and Azerbaijan. It contributes essentially to strengthening national and regional energy security, increasing connectivity in the Black Sea basin, diversifying supply sources, capitalizing on the potential for renewable energy production and increasing the share of renewable energy in the national energy mix.

Company	Registration Cod	Headquarters	% participation on 31 december 2025
SMART	14232728	Bucharest	100%
TELETRANS	15061510	Bucharest	100%
GECO	51190139	Bucharest	25%

IDENTIFICATION INFORMATION

SMART

Registered office	Bucharest, Bd. Gen. Gh. Magheru no. 33, sector 1
Place of business	Bucharest, Bd. Gheorghe Sincai no. 3, "Formenerg" Building, 1st floor, sector 4
Order number in the Trade Register	J2001008613409
Tax Registration Number	14232728
Share capital	RON 38,529 thousand, divided into 3.852.860 registered shares with a nominal value of 10 lei each
Sole shareholder	Transelectrica
Deed of Incorporation	GD no. 710/2001 on the establishment of the company "SMART" SA, the Commercial Company for Maintenance Services of the Transmission Electricity Network, by reorganization of some activities within Transelectrica

TELETRANS

Registered office	Bucharest, Hristo Botev Blvd. no. 16-18, sector 3
Place of business	Bucharest, 12 Stelea Spatarul Street, sector 3
Order number in the Trade Register	J2002012511402
Tax Registration Number	15061510
Share capital	RON 6,978 thousand, divided into 697,848 registered shares with a nominal value of 10 lei each
Sole shareholder	Transelectrica
Deed of Incorporation	AGA Decision of NPG CO. Transelectrica no.13 of 20.03.2002 and the orders of the Minister of Industry and Resources no.3098,3101/23.10.2002

GECO "Green Energy Corridor Power Company"

Registered office	Bucharest, Sector 3, 2-4 Olteni Street, 3rd floor, room 306
Order number in the Trade Register	J2025005094001
Tax Registration Number	51190139
Share capital	RON 15,000 thousand, divided into 1,500,000 registered shares with a nominal value of 10 lei each
Shareholders	CNTEE Transelectrica – 25% "AZERENERJI" Open Joint Stock Company – 25% JSC Georgian State Electrosystem – 25% MVM Energy Private Limited Liability Company – 25%
Deed of Incorporation	AGA Decision of NPG CO. Transelectrica no. 226 of 17.12.2024 and GECO Constitutive Act of 21.01.2025

GOVERNANCE STRUCTURES

The executive management of the companies as of the date of this report is provided by the following persons:

SMART:

Gheorghe BOLINTINEANU General Manager

Virgil ȘTEFAN Economic Manager

TELETRANS:

Decebal BĂESCU General Manager

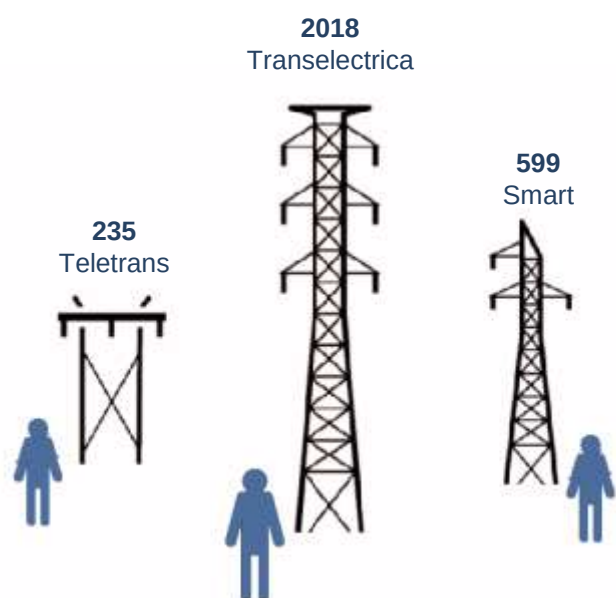
Florin Nicolae MÂRZA Economic Manager

GECO:

Farhad MAMMADOV General Manager

Florin STANCIU Deputy General Manager

Number of employees 2025



ACTIVITIES

In 2025, the two companies included in the consolidation carried out activities in accordance with their main areas of activity, as follows:

• TELETRANS



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

1. Process Informatics / SCADA

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

2. IT & C

Fiber optic data transport services:

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

IP communication services:

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

3. Colocation

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

Infrastructure

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

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



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

Affiliations

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

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

• SMART



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

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

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

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

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

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

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

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

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

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

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

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

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

The company carries out activities

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

Smart's national and international affiliations are as follows

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



Re PowerEU Plan

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

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

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

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

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

TELETRANS

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

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

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

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

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

The telecommunication network of NPG CO. Transelectrica S.A. requires modernization and updating according to the latest technologies in order to align with European quality standards. Network capacity certification guarantees the functioning of intermediate equipment and physical and logical links for the secure provision of data transmission and internet access services. As today's systems are diversified

and especially decentralized, there is a need for tools capable of obtaining fast network results, such as traffic analyzers. The proposed investment aims to purchase 8 pieces of L2-7 Traffic Analyzer Set with 4 SFP ports (multimode and singlemode), with the role of accurately diagnosing possible network malfunctions.

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

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

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

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

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

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

SMART

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

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

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

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

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

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

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

The investment consists of:

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

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

I. Economic and financial situation according to financial figures OMFP 2844/2016

Consolidation results

The Group's financial results were as follows:

Thousands RON	December 31, 2025	December 31 2024		25/24
Operating revenues	5.615.424	7.903.976	▼	(29%)
Operating expenses*	(4.884.677)	(6.956.949)	▼	(30%)
EBITDA	730.747	947.027	▼	(23%)
Depreciation and amortization	(402.522)	(371.792)	▲	8%
EBIT	328.225	575.235	▼	(43%)
Net finance result	23.841	9.675	▲	146%
EBT	352.066	584.910	▼	(40%)
Income tax	12.433	(4.802)	-	n/a
NET RESULT	364.499	580.108	▼	(37%)

*Operating expenses without depreciation and amortization

Thousands RON	December 31, 2025	December 31 2024		25/24
Non-current assets	6.724.502	6.277.384	▲	7%
Current assets	4.205.038	4.548.158	▼	(8%)
TOTAL ASSETS	10.929.540	10.825.542	▲	1%
Shareholders' equity	6.072.155	5.907.116	▲	3%
Non-controlling interests	-	-	-	-
Non-current liabilities	1.145.002	926.478	▲	24%
Current liabilities	3.712.383	3.991.948	▼	(7%)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	10.929.540	10.825.542	▲	1%

Thousands RON	December 31, 2025	December 31 2024		25/24
Cash flows from operational activities	878.599	855.386	▲	3%
Net cash used in the investment activity	(685.685)	(618.474)	▲	11%
Net cash used in financing activities	(316.317)	(56.638)	▲	458%
Net increase/decrease in cash and cash equivalents	(123.403)	180.274	-	n/a
Cash and cash equivalents as at January 1 st	707.174	526.900	▲	34%
Cash and cash equivalents at the end of the period	583.771	707.174	▼	(17%)

In 2025, the Group's results based on the OMFP consolidated financial statements recorded a decrease compared to the same period last year, due to a 29% decrease in operating income, in the context of a decrease in operating expenses (including depreciation) by 28%.

Statement of the financial position OMFP 2844/2016

The consolidated statement of financial position is presented as follows:

<i>Thousands RON</i>	December 31, 2025	December 31 2024
Non-current assets		
Tangible assets	6.414.639	5.915.254
Assets representing rights of use under a lease	6.958	8.150
Intangible assets	259.223	313.147
Investments accounted for using the equity method	3.372	-
Financial assets	40.309	40.833
Total non-current assets	6.724.502	6.277.384
Current assets		
Inventories	60.662	58.144
Trade and other receivables	3.371.004	3.782.840
Profit tax recoverable	12.181	-
Cash and cash equivalents	761.192	707.174
Total current assets	4.205.038	4.548.158
Total assets	10.929.540	10.825.542
Shareholders' equity		
Share capital	733.031	733.031
Share premium	50.222	49.843
Legal reserve	146.606	146.606
Revaluation reserve	1.496.393	1.596.896
Other reserves	299.170	256.747
Retained earnings	3.346.732	3.123.993
Total shareholders' equities attributable to Group owners	6.072.155	5.907.116
Non-controlling interests	-	-
Total equity	6.072.155	5.907.116
Non-current liabilities		
Long term deferred revenues	831.220	538.015
Long term Borrowings	1.471	7.918
Other loans and assimilated debts - Non-current lease liabilities	3.181	1.604
Deferred tax liabilities	225.152	257.169
Employee benefits obligations	83.979	116.159
Other long term liabilities	-	5.613
Total non-current liabilities	1.145.002	926.478
Current liabilities		
Trade and other liabilities	3.424.075	3.855.244
Other loans and assimilated debts - Current lease liabilities	3.629	7.328
Other tax and social security liabilities	22.585	25.537
Current Borrowings	184.354	32.641
Provisions	38.399	35.953
Short term deferred revenues	24.041	22.232
Income tax payable	-	13.013
Short-term employee benefit obligations	15.299	-
Total current liabilities	3.712.383	3.991.948
Total shareholders' equity and liabilities	10.929.540	10.825.542

Profit and loss account OMFP 2844/2016

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

<i>Thousands RON</i>	December 31, 2025	December 31 2024
Operating revenues		
Transmission revenues	2.263.255	2.024.457
System service revenues	573.786	633.277
Balancing market revenues	2.676.211	4.965.724
Other revenues	102.172	280.518
Operating expenses		
System Operating Expenses	(640.831)	(715.613)
Balancing market expenses	(2.676.254)	(4.965.535)
System services expenses	(705.985)	(523.611)
Depreciation and amortization	(402.522)	(371.792)
Personnel expenses	(541.951)	(489.463)
Repairs and maintenance expenses	(81.894)	(66.410)
Materials and consumables	(39.692)	(23.015)
Other operational expenses	(195.466)	(173.302)
Net adjustments for impairment of receivables	(6.452)	-
Other gains or losses	3.848	-
Operating result	328,225	575,235
Financial revenues	35.091	26.879
Financial expenses	(10.872)	(17.204)
Share of profit/(loss) of equity investments	(378)	-
Net finance result	23.841	9.675
Profit before income tax	352.066	584.910
Income tax	12.433	(4.802)
Result for the period from continuing operations	364.499	580.108
Profit of the period		
Attributable to:		
Owners of the Group	364.499	580.108
Non-controlling interests	-	-
Basic and diluted earnings per share (lei/share)	4,97	7,91

Cash flows OMFP 2844/2016

The cash flow situation at Group level is as follows:

<i>Thousands RON</i>	December 31, 2025	December 31 2024
Cash flows from operational activities		
Result of the period	364.499	580.108
Cash flows before changes to working capital	737.206	812.652
Changes in:		
Inventories	(5.815)	6.923
Clients and assimilated accounts	410.379	(1.655.313)
Trade payables and other liabilities	(521.898)	1.683.048
Investments accounted for using the equity method	378	-
Other taxes and social insurance liabilities	(2.951)	(510)
Deferred revenues	308.333	43.495
Cash flows from operational activities	925.632	890.295
Paid interests	(2.545)	(2.759)
Paid income tax	(44.488)	(32.150)
Net cash generated from operational activities	878.599	855.386
Cash flows from the investment activity		
Acquisition of tangible and intangible assets	(746.494)	(687.111)
Participation titles held in GEKO Power Company	(3.750)	-
Proceeds from EC non-reimbursable financing	29.104	42.494
Received Interests	6.604	7.008
Proceeds from sale of tangible assets	5.733	3.374
Dividends received/paid	23.118	15.761
Net cash used in the investment activity	(685.685)	(618.474)
Cash flows used in financing activities		
Repayments of non-current borrowings	(24.239)	(23.978)
Use of credit line Subsidiary	-	1.281
Lease payments	(12.379)	(12.247)
Dividends paid	(279.699)	(21.694)
Net cash used in financing activities	(316.317)	(56.638)
Cash and cash equivalents as at January 1st	707.174	526.900
Net increase/decrease in cash and cash equivalents	(123.403)	180.274
Cash and cash equivalents at the end of the period	583.771	707.174

Indicators OMFP 2844/2016

Consolidated 2844/2016	indicators	OMFP	December 31, 2025	December 31, 2024
	Total assets		RON 10,929,540 thousand	RON 10,825,542 thousand
	Turnover		RON 5,513,252 thousand	RON 7,623,458 thousand

Economic-financial indicators according to ASF Regulation 5/2018

indicators	Formula	2025	2024
Current liquidity ratio (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.13	1.14
Indebtness indicators* (x):			
(1) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Shareholder's equity}}$	3.17%	0.84%
(2) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Committed capital}}$	3.07%	0.83%
Customer turnover speed (days)	$\frac{\text{Average client balance}^{**} \times \text{no. days}}{\text{Turnover}}$	71.96	51.64
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.82	1.21

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

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

II. Economic and financial situation according to financial figures IFRS-UE

Consolidation results

The Group's financial results were as follows:

Thousands RON	December 31, 2025	December 31 2024		25/24
Operating revenues	5.614.500	7.801.956	▼	(28%)
Operational expenses*	(4.884.677)	(6.956.949)	▼	(30%)
EBITDA	729.823	845.008	▼	(14%)
Depreciation	(311.527)	(297.314)	▲	5%
EBIT	418.296	547.694	▼	(24%)
Financial result	23.841	9.675	▲	146%
EBT	442.137	557.368	▼	(21%)
Income tax	(1.979)	(395)	▲	401%
NET RESULT	440.158	556.973	▼	(21%)

*Operating expenses excluding depreciation

Thousands RON	December 31, 2025	December 31 2024		25/24
Non-current assets	6.516.795	5.979.608	▲	9%
Current assets	4.205.038	4.548.158	▼	(8%)
TOTAL ASSETS	10.721.834	10.527.766	▲	2%
Shareholders' equity	5.897.682	5.656.984	▲	4%
Non-controlling interests	-	-	-	-
Non-current liabilities	1.111.770	878.834	▲	27%
Current liabilities	3.712.382	3.991.948	▼	(7%)
SHAREHOLDERS' EQUITY AND LIABILITIES	10.721.834	10.527.766	▲	2%

Thousands RON	December 31, 2025	December 31 2024		25/24
Net cash from operating activities	878.599	855.386	▲	3%
Cash used in investment activity	(685.685)	(618.474)	▲	11%
Cash used in financing activity	(316.317)	(56.638)	▲	458%
Net decrease in cash and cash equivalents	(123.403)	180.274	-	n/a
Cash and cash equivalents as at January 1	707.174	526.900	▲	34%
Cash and cash equivalents at the end of the period	583.771	707.174	▼	(17%)

In 2025, the Group's results based on the IFRS-EU consolidated financial statements recorded a decrease compared to the same period last year, due to a 28% reduction in operating income, while operating expenses (including depreciation) decreased by 28% .

Statement of the financial position IFRS-UE

The consolidated statement of financial position is presented as follows:

Thousands RON	December 31, 2025	December 31, 2024
Non-current assets		
Tangible assets	6.414.639	5.915.254
Assets representing rights of use under a lease - buildings	6.958	8.150
Intangible assets	51.517	15.371
Investments accounted for using the equity method	3.372	-
Financial assets	40.309	40.833
Total non-current assets	6.516.795	5.979.608
Current assets		
Inventories	60.662	58.144
Trade and other receivables	3.371.004	3.782.840
Profit tax recoverable	12.181	-
Cash and cash equivalents	761.192	707.174
Total current assets	4.205.039	4.548.158
Total assets	10.721.834	10.527.766
Shareholders' equity		
Share capital	733.031	733.031
Share premium	50.222	49.843
Legal reserve	146.606	146.606
Revaluation reserve	1.496.393	1.596.896
Other reserves	299.170	256.747
Retained earnings	3.172.260	2.873.861
Total shareholders' equities attributable to Group owners	5.897.682	5.656.984
Non-controlling interests	-	-
Total equity	5.897.682	5.656.984
Non-current liabilities		
Long term deferred revenues	831.220	538.015
Long term Borrowings	1.471	7.918
Other loans and assimilated debts - Non-current building lease liabilities	3.181	1.604
Deferred tax liabilities	191.919	209.525
Employee benefits obligations	83.979	116.159
Other non-current liabilities	-	5.613
Total non-current liabilities	1.111.770	878.834
Current liabilities		
Trade and other liabilities	3.424.075	3.855.244
Other loans and assimilated debts - Current building lease liabilities	3.629	7.328
Other tax and social security liabilities	22.585	25.537
Current Borrowings	184.354	32.641
Provisions	38.399	35.953
Short term deferred revenues	24.041	22.232
Income tax payable	-	13.013
Short-term employee benefit obligations	15.299	-
Total current liabilities	3.712.382	3.991.948
Total shareholders' equity and liabilities	10.721.834	10.527.766

Profit and loss account IFRS-UE

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

<i>Thousands RON</i>	December 31, 2025	December 31, 2024
Operating revenues		
Transmission revenues	2.263.255	2.024.457
System service revenues	573.786	633.277
Balancing market revenues	2.676.211	4.965.724
Other revenues	101.248	178.498
Operating expenses		
System Operating Expenses	(640.831)	(715.613)
Balancing market expenses	(2.676.254)	(4.965.535)
System services expenses	(705.985)	(523.611)
Depreciation and amortization	(311.527)	(297.314)
Personnel expenses	(541.951)	(489.463)
Repairs and maintenance expenses	(81.894)	(66.410)
Materials and consumables	(39.692)	(23.015)
Other operational expenses	(195.466)	(173.302)
Net adjustments for impairment of receivables	(6.452)	-
Other gains or losses	3.848	-
Operating result	418.296	547.693
Financial revenues	35.091	26.879
Financial expenses	(10.872)	(17.204)
Share of profit/loss of investments	(378)	-
Net finance result	23.841	9.675
Profit before income tax	442.137	557.368
Income tax	(1.979)	(395)
Result for the period from continuing operations	440.158	556.973
Profit of the period		
Attributable to:		
Owners of the Group	440.158	556.973
Non-controlling interests	-	-
Basic and diluted earnings per share (lei/share)	6,00	7,60

Cash flows IFRS-UE

The cash flow situation at Group level is as follows:

Thousands RON	December 31, 2025	December 31, 2024
Cash flows from operational activities		
Result of the period	440.158	556.973
Cash flows before changes to working capital	737.206	812.652
Changes in:		
Inventories	(5.815)	6.923
Clients and assimilated accounts	410.379	(1.655.313)
Trade payables and other liabilities	(521.898)	1.683.048
Investments accounted for using the equity method	378	-
Other taxes and social insurance liabilities	(2.951)	(510)
Deferred revenues	308.333	43.495
Cash flows from operational activities	925.632	890.295
Paid interests	(2.545)	(2.759)
Paid income tax	(44.488)	(32.150)
Net cash generated from operational activities	878.599	855.386
Cash flows from the investment activity		
Acquisition of tangible and intangible assets	(746.494)	(687.111)
Participation titles held in GEKO Power Company	(3.750)	-
Proceeds from EC non-reimbursable financing	29.104	42.494
Received Interests	6.604	7.008
Proceeds from sale of tangible assets	5.733	3.374
Dividends received/paid	23.118	15.761
Net cash used in the investment activity	(685.685)	(618.474)
Cash flows used in financing activities		
Repayments of non-current borrowings	(24.239)	(23.978)
Use of credit line Subsidiary	-	1.281
Lease payments	(12.379)	(12.247)
Dividends paid	(279.699)	(21.694)
Net cash used in financing activities	(316.317)	(56.638)
Cash and cash equivalents as at January 1st	707.174	526.900
Net increase/decrease in cash and cash equivalents	(123.403)	180.274
Cash and cash equivalents at the end of the period	583.771	707.174

Indicators IFRS-UE

Consolidated indicators IFRS-UE	December 31, 2025	December 31, 2024
Total assets	RON 10,721,834 thousand	RON 10,527,766 thousand
Turnover	RON 5,513,252 thousand	RON 7,623,458 thousand

Economic-financial indicators according to ASF Regulation 5/2018

indicator	Calculation formula	2025	2024
Current liquidity ratio (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.13	1.14
Indebtness indicators* (x):			
(1) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Shareholder's equity}}$	3.27%	0.87%
(2) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Committed capital}}$	3.16%	0.87%
Customer turnover speed (days)	$\frac{\text{Average client balance}^{**} \times \text{no. days}}{\text{Turnover}}$	71.96	51.64
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.85	1.27

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

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



IMPORTANT EVENTS

• Merger by absorption TELETRANS SA

By Decision no. 3 of February 13, 2025, the Extraordinary General Meeting of Shareholders of Teletrans, decided, pursuant to art. 12 paragraph (2) letter f) of the Articles of Association of the company, the merger by absorption of Formenerg (as the absorbed company) with the company Teletrans (as the absorbing company). It was approved to establish the date of 31.12.2024 as the reference date of the Merger and the date of 30.04.2025, as the effective date of the Merger. The company Formenerg was 100% owned by Transelectrica.

• Signing a credit agreement TELETRANS

The general meeting of shareholders ratified the signing of the overdraft credit agreement no. 20250115002, concluded between TELETRANS SA and Banca Comercială Română SA, registered with TELETRANS SA under no. C2613/2025.

• Appointment of administrators SMART

The Ordinary General Meeting of Shareholders of SMART, held pursuant to the provisions of art. 121 of the Companies Law no. 31/1990, republished with subsequent amendments and completions on January 22, 2025, decided (by reference to the Decision of the General Meeting of Shareholders no. 18/2024) the following administrators of the company appointed for a

term of 4 (four) years, starting with 23.12.2024, respectively until 22.12.2028: Raluca Cristina ISPIR, also holding the position of President of the Board of Directors; Gheorghe BOLINTINEANU and Decebal BĂESCU.

• Resolution No 3 of the Ordinary General Meeting of Shareholders NPG TRANSELECTRICA

Ordinary General Meeting of the Company's shareholders convened on April 1, 2025:

- approved the establishment of the Investment Programme for the financial year 2025 and the estimates for the years 2026 and 2027;
- approved the Company's revenue and expenses budget for 2025, as well as estimates for 2026 and 2027;
- approved the reconfirmation, in accordance with art. 38 and art. 39 of GEO no. 109/2011, as amended and supplemented, of point 10 of the OGMS Resolution no. 3 of April 29, 2024, namely: the establishment of the general limits of the remuneration and other benefits to be granted by NPG CO. TRANSELECTRICA S.A. to the members of the Directorate, including fixed and variable remuneration, as well as other benefits granted to them.

• Incident in the transmission grid in the western part of the country

On July 9, 2024, the Company announced that, as a result of the extreme meteorological phenomena recorded on the afternoon of July 8, 2025 in the western part of the country, manifested by violent storms and wind gusts with speeds between 90 and 120 km/h (code red), a portion of the 220 kV Reșița-Timișoara double-circuit overhead power line (OHL) was significantly affected, with several poles damaged, in the Timiș county.

At the same time, the recent severe weather conditions of gales and strong winds (code red) in the west and north-west of the country also affected the 400 kV Roșiori - Gădălin overhead power line, where a pole on the line's route was damaged.

The incident that affected the 220 kV Reșița - Timișoara 220 kV OHL did not cause interruptions in the power supply to consumers, but temporarily affected the full availability of the transmission grid (ETG) in the western part of the country.

The intervention teams were mobilized immediately after the occurrence of the event were in the field to assess the damage and establish the technical measures necessary to remedy the situation, involving all technical entities with responsibilities within Transelectrica and SMART SA.

A permanent cooperation with the competent authorities and the local distribution operator was established to manage the situation.

The National Energy System (NES) is operating in safe conditions and is constantly monitored by the National Energy Dispatcher.

- **Mobilization for the replacement of the damaged pole on the 400 kV Overhead Power Line Gădălin - Roșiori**

On July 16, 2025, the intervention to replace the high-voltage pole of the 400 kV Gădălin - Roșiori Overhead Power Line, damaged following the violent storm in the area of Jibou, Sălaj County, was successfully completed and the line was put back into operation.

The intervention, carried out by the technical teams of SMART SA and of the Cluj - Napoca Territorial Transmission Branch, was highly complex and took place in difficult terrain conditions, in an area difficult to access for machinery and equipment.

The intervention teams were mobilized quickly and worked non-stop, in a real race against the clock, to restore the overhead power line as quickly as possible.

This involved a series of complex logistical tasks, such as adapting access roads, transporting a pole more than 30 meters high and weighing some 7.5 tons by truck over several hundred kilometers, and bringing a heavy-duty crawler crane to the site.

Thanks to a coordinated and intensive effort, the line was re-energized and the safe operation of the network in the north-west of the country was fully restored.

Transelectrica continuously invests in modernization, maintenance and network expansion.

In the last three years, Transelectrica has built 60% of the new lines constructed in the last 20 years, i.e. 305 kilometers of 400 kV and 220 kV lines, out of a total of 496 kilometers completed since the early 2000s.

By 2030, Transelectrica has more than 740 kilometers of new overhead power lines in various stages of preparation or under construction.

- **Amendment of the Articles of Association of TELETRANS SA**

The extraordinary general meeting of shareholders of the Company for Telecommunications and Information Technology Services in Electric Transport Networks "TELETRANS" S.A. ("the Company"), held on September 19, 2025, pursuant to art. 121 of the Companies Law no. 31/1990, republished, with subsequent amendments and supplements, as well as of the Articles of Association of the Company, by the shareholder NPG "Transelectrica"- S.A. decided to approve the amendment to art. 6 of the Articles of Association in order to eliminate the CAEN code 9412 - Activities of professional organizations. As a result of the elimination of the CAEN code at position (64), the following CAEN codes will be renumbered.

In the same decision, the amendment of art. 7 paragraph (2) of the Articles of Association was approved, as well as the amendment of art. 7 of the AGM Decision no. 16/20.08.2025, as follows: Art. 7 (2) The share capital of "TELETRANS" S.A. is 6,978,480 lei, divided into 697,848 registered shares, each share worth 10 lei. The structure of the share capital is as follows: 1,908,070 lei in kind - representing the equivalent of 190,807 shares, 4,966,360 lei in cash - representing the equivalent of 496,636 shares and 104,050 lei, representing 10,405 shares, resulting from the merger by absorption operation with the Company FORMENERG S.A.

As a result of the merger operation, the share capital of the Company for Telecommunications and Information Technology Services in Electric Transport Networks "TELETRANS" S.A. is 6,978,480 lei, divided into 697,848 registered shares, each share worth 10 lei. The structure of the share capital is as follows: 1,908,070 lei in kind - representing the equivalent of 190,807 shares, 4,966,360 lei in cash -

representing the equivalent of 496,636 shares and 104,050 lei, representing 10,405 shares, resulting from the merger operation by absorption with the Company FORMENERG S.A.

- **Completion of the merger by absorption between the subsidiaries Teletrans and Formenerg**

On September 23, 2025, the merger procedure by absorption between TELETRANS S.A., as the absorbing company, and Formenerg S.A., as the absorbed company, was completed. In accordance with the applicable legislation, starting with September 23, 2025, Teletrans took over all the rights and obligations assumed prior to the merger by Formenerg.

- **The construction of two 400 kV OHL that close the electricity main in the north of the country and consolidate Romania's interconnection with the Republic of Moldova**

On October 21, 2025, in Suceava, the first command took place for the start of two major investments for the development of electricity transmission infrastructure, namely the 400 kV Gădălin - Suceava OHL and the 400 kV Suceava (RO) - Bălți (MD) Interconnection OHL, on the territory of Romania.

Through these two works of major importance, Transelectrica closes the 400 kV Ring in the northern area of the country, a strong link for increasing Romania's energy security, and strengthens the interconnection with the Republic of Moldova.

The 400 kV Gădălin – Suceava OHL (single circuit), including the interconnection to the SEN, is an investment objective of public utility and national interest, one of the 11 investment projects financed from the Modernization Fund.

The 400 kV Gădălin – Suceava OHL will close the 400 kV energy main in the northern part of the country, being one of the most complex national energy infrastructure works, crossing an extremely difficult mountainous terrain. At the same time, the 400 kV Gădălin – Suceava OHL will be the longest line in Romania, at 260 kilometers, and will connect two important geographical regions of Romania: Transylvania and Moldova. The new line will cross the territory of three counties (Cluj, Bistrița – Năsăud and Suceava) and 40 localities.

The 400 kV Suceava - Bălți OHL project, for the portion of the project on Romanian territory, represents an investment objective of strategic importance that will facilitate cross-border energy exchanges and contribute to accelerating the integration of renewable energy sources in the north-east of the country.

The strategic importance of this project lies not only from the perspective of the two national energy systems, but also from the perspective of the European energy system, on which the current international context exerts significant pressure, requiring consolidation actions in order to ensure electricity supply. The project ensures the energy security of the Republic of Moldova through the diversification of supply sources, aiming to create the premises for its integration into the single European energy market and, in this context, expressing the common political will to examine possible solutions and implement 3/3 of the projects necessary for the long-term energy exchange between Romania and the Republic of Moldova.

The new 400 kV Suceava – Bălți OHL will cover a distance of approximately 93 kilometers, crossing 17 localities in Suceava and Botoșani counties. With 302 high-voltage poles, this project will complete a strategic axis Gădălin – Suceava – Bălți, creating an energy bridge between Transylvania, Moldova and the Republic of Moldova.

DISPUTES

The most important disputes with an impact on the Company are presented below:

- **RAAN**

In case file no. **9089/101/2013**, on September 19, 2013, the Mehedinți Tribunal ordered the opening of the general insolvency proceedings against RAAN.

On March 9, 2015, the Mehedinți Tribunal confirmed the reorganization plan of the debtor Autonomous Administration for Nuclear Activities proposed by the judicial administrator Tudor&Asociații SPRL and approved by the General Assembly of Creditors according to the minutes dated February 28, 2014.

On June 14, 2016, bankruptcy proceedings were opened against RAAN.

NPG CO. Transelectrica SA filed a challenge to the supplementary creditors' list, subject of case file no. 9089/101/2013/a152 against the debtor RAAN, since the judicial liquidator failed to register a claim in the amount of RON 78,096,209 on the grounds that "it is not recorded as owed in RAAN's accounting records." Furthermore, the judicial liquidator considered that the request for the registration of the amount of RON 78,096,209 in the list was submitted late, as it pertains to the period 2011–2013, meaning the claim should have been filed at the time the insolvency proceedings were opened, namely on September 18, 2013. A timely challenge was filed against the supplementary creditors' list, and the Mehedinți Tribunal admitted the request for accounting expertise. By Ruling no. 163/20.06.2019, the Mehedinți Tribunal rendered the following solution: upheld the plea of forfeiture. Partially admitted the main action as well as the related challenge. Ordered the defendant to pay the claimant the amount of RON 16,950,117.14 – a claim born during the proceedings – and ordered that this amount be registered in the creditors' list against the debtor RAAN. The rest of the related claims were dismissed.

Pursuant to Art. 453 para. 2 of the Civil Procedure Code, the defendant was ordered to pay the claimant RON 1,000 in court costs. With right to appeal. Delivered in a public hearing. Document: Ruling no. 163/20.06.2019. NPG CO. Transelectrica SA filed an appeal within the legal time limit. At the hearing of November 6, 2019, the Craiova Court of Appeal dismissed the appeal filed by NPG CO. as unfounded. Final decision. Ruling no. 846/06.11.2019.

In the RAAN bankruptcy case, registered under no. 9089/101/2013, NPG CO. was registered in the creditors' list with the following claims: 19,113,256 lei.

Deadline for continuation of the procedure for collecting receivables, realizing assets and performing other liquidation operations: **25.03.2026**.

For RAAN, the Company recorded an adjustment for the impairment of receivables in the amount of 8,516,707 lei.

There are also other court cases between RAAN and NPG CO. Transelectrica SA, deriving from Contract no. C137/08.04.2011, currently in various stages of litigation.

Case file no. **28460/3/2017** – Subject: ordering the undersigned to pay the total amount of RON 12,346,063.

Ruling of the Bucharest Court of Appeal on September 27, 2021: Suspended appeal proceedings until final resolution of case files no. 28458/3/2017 and no. 26024/3/2015. Ruling of May 23, 2022: Dismissed as unfounded the request for reopening the case. Maintained the suspension of the appeal proceedings.

At the hearing on May 20, 2024, the appeal was admitted; the appealed judgment was changed, in the sense that: the claim was admitted. The defendant was ordered to pay the claimant the amount of RON 12,346,063.10, representing principal and penalties, with right to recourse. Ruling no. 806/20.05.2024. NPG CO. Transelectrica SA filed a recourse.

On 13.11.2025, the appeal filed by the appellant Transelectrica SA against decision no. 806 of 20 May 2024, pronounced by the Bucharest Court of Appeal – 6th Civil Section, was admitted. On 19.02.2026, the ICCJ rejected the appeal filed by the defendant Compania Națională de Transport al Energiei Electrice "Transelectrica" SA against decision no. 806A of 20 May 2024, pronounced by the Bucharest Court of Appeal – 6th Civil Section, as unfounded. **Final.**

Case file no. **3694/3/2016** – Claims: 15,698,721.88 lei.

Hearing on November 8, 2021: the case was suspended until the final resolution of case files no. 26024/3/2015 and no. 28458/3/2017.

Ruling of June 3, 2024: appeal was admitted, and the appealed judgment was fully changed as follows: the claim was admitted. The defendant was ordered to pay the claimant the amount of RON 12,727,101.99, representing the value of bonuses and regularization of the overcompensation for which invoices with series SRTF were issued, and the amount of RON 2,917,619.81, representing delay penalties related to the principal debt, for which invoices with series SRTF were issued, with the right of appeal. Decision 898/03.06.2024. Transelectrica lodged an appeal.

On 16.10.2025, the ICCJ rejected the appeal lodged by the appellant-defendant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. against civil decision no. 898 A of 3 June 2024, handed down by the Bucharest Court of Appeal – Sixth Civil Division, as unfounded. **Final.**

The amount of 15,698,722 lei was paid by the Company in June 2024.

- **MUNICIPALITY OF REȘIȚA**

Case file no. **2494/115/2018****, registered on the docket of the Caraș-Severin Tribunal.

Subject: Through the claim, the plaintiff Municipality of Reșița requests that the defendant NPG CO. Transelectrica SA be ordered to pay the following amounts: RON 2,129,765.86, representing rent for the land temporarily occupied from the forest fund for 2015; RON 2,129,765.86, land rent for 2016; RON 2,129,765.86, land rent for 2018; and statutory penalty interest from the due date until full payment.

Ruling of the Caraș-Severin Tribunal: Suspended the proceedings initiated by the plaintiff Municipality of Reșița, through the Mayor, against the defendant NPG CO. Transelectrica SA, having as object claims, pursuant to Art. 413 para. (1) point 1 of the Civil Procedure Code.

Appealable for the duration of the suspension of trial proceedings, before the higher court. Document: Suspension Order 22.03.2021.

The suspension was ordered until the final resolution of case file no. 3154/115/2018* of the Caraș-Severin Tribunal.

At the hearing on 02.03.2023, the claim proceedings were suspended again. Appealable throughout the suspension period.

At the hearing of 27.06.2024, the court ordered that a copy of the notes from pages 172–174, submitted by the defendant NPG CO. Transelectrica SA, be communicated to the expert. A copy of the clarifications submitted by the plaintiff Municipality of Reșița, following the expert's request, was also to be delivered to the expert.

On 19.09.2024, the plaintiff's request for adjournment was granted, and a copy of the expert report was ordered to be sent to the plaintiff. The discussion on the final fee for the report was postponed to allow both parties to review the report. The hearing was rescheduled, due to the absence of the expert report, for 10.10.2024.

On 10.10.2024, both plaintiff and defendant were ordered to each pay 1,000 lei as expert fee. A supplemental expert report was ordered.

At the hearing on 12.12.2024, a new date was scheduled for the study of the supplemental report and for the parties to formulate any objections. The hearing was postponed to 13.02.2025, 20.02.2025, and subsequently to 27.02.2025.

At the hearing of 27.02.2025, the court dismissed the plea of prescription of the right of action regarding the rent claim for 2015, as well as the plea of tardiness in amending the claim, both raised by the defendant NPG CO. Transelectrica SA. It requalified the plea of res judicata as a substantive defense relating to the positive effect of res judicata.

The claim filed by the plaintiff Municipality of Reșița against the defendant NPG CO. Transelectrica SA was dismissed.

Appealable within 30 days from the date of communication.

At the hearing of 29.05.2025, the request to supplement the operative part of civil judgment no. 150/27.02.2025, rendered by the Caras-Severin Court in case no. 2494/115/2018**, filed by the defendant Transelectrica, was admitted. It was ordered to supplement the operative part with the following provision: the plaintiff was ordered to pay to the defendant the amount of RON 2500 costs consisting of expert's fees. With right of appeal within 30 days of communication.

The municipality of Reșița has lodged an appeal. The hearing is set for **21.04.2026**.

- **NAFA**

NAFA issued Enforcement Title No. 13540/22.08.2017, under which the additional tax obligations established by Tax Decision No. F-MC 439/30.06.2017 were enforced.

The Company requested the annulment of Enforcement Title No. 13540/22.08.2017 before the Court of Appeal – Case No. **7141/2/2017**. Summary ruling: Upholds the exception of lack of material competence of the Bucharest Court of Appeal – SCAF. Declines material jurisdiction to the First District Court of

Bucharest for resolution of the case. Final. Delivered in public session on 08.02.2018. Document: Decision No. 478/2018 dated 08.02.2018.

Following the jurisdictional declination, Case No. 8993/299/2018 was registered on the docket of the First District Court of Bucharest, whereby the Company challenged the enforcement initiated under Enforcement Title No. 13540/22.08.2017, which is based on Tax Decision No. F-MC 439/30.06.2017 issued by ANAF – General Directorate for the Administration of Large Taxpayers.

Summary ruling: Admits the request for suspension of the trial filed by the claimant. Pursuant to Art. 413 para. (1) point 1 of the Civil Procedure Code, suspends the case until the final resolution of Case No. 1802/2/2018, pending before the Bucharest Court of Appeal, 8th Administrative and Tax Litigation Division. Appealable throughout the suspension period, the appeal to be filed with the First District Court of Bucharest. Delivered in public session. Document: Suspension Ruling – April 17, 2018.

The trial was resumed, and at the hearing on 10.10.2024, for communication of the documents filed in the case by the claimant to the respondent, the case was postponed to 21.11.2024, and subsequently to 06.03.2025, 17.04.2025, 19.06.2025, 02.10.2025, 13.11.2025, 04.12.2025, 19.02.2026. The next hearing is scheduled for **23.04.2026**.

• **CONAID COMPANY SRL**

The subject of Case No. **36755/3/2018** is the acknowledgment of the unjustified refusal to conclude the addendum to ETG Connection Contract C154/2012 and claims amounting to RON 17,216,093.43, the suffered loss, and EUR 100,000, representing the estimated unrealized benefit.

At the hearing on 03.01.2024, the Bucharest Tribunal upheld the statute of limitations objection to the right of action, invoked in the statement of defense. Dismisses the claim as time-barred. Appealable within 30 days from communication. Decision 4/2024.

Conaid Company SRL filed an appeal, with the hearing date set for 27.03.2025. At the hearing on 27.03.2025, the court admits the appeal. Annuls the appealed civil ruling and refers the case to the first instance for judgment on the merits.

Transelectrica appealed. At the hearing of 26.02.2026, the ICCJ rejects as unfounded the appeal filed by the appellant-defendant CNTEE „Transelectrica” SA against civil decision no. 529A/2025 of 27 March 2025, pronounced by the Bucharest Court of Appeal - 6th Civil Section, in contradiction with the respondent-plaintiff CONAID COMPANY SRL, through judicial administrator CII Matache Alice Mirela. **Final.**

For the amount of 17,216,093 lei, CNTEE Transelectrica established a provision in March 2019.

• **OPCOM**

Case file no. **22567/3/2019** – Subject matter: claim for damages under common law.

Obligating the defendant OPCOM SA to pay the amount of RON 4,517,460 related to invoice series TEL 16 AAA no. 19533/29.07.2016, representing the VAT value corresponding to the contribution made by NPG Transelectrica SA to the share capital of the company OPCOM SA, issued based on Loan Agreement no. 7181RO/2003, commitment for financing the investment project “Electricity Market Project.”

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

The court suspends the proceedings until the final resolution of case no. 31001/3/2017, regarding the action for annulment of an OPCOM General Shareholders’ Meeting resolution (in which Transelectrica is not a party, and where, on 01.02.2021, the appeals were dismissed by final decision).

TMB ruling: Upholds the statute of limitation plea. Dismisses the action as time-barred.

CAB ruling per Judgment no. 1532/12.10.2022: Dismisses the appeal as unfounded. Orders the appellant to pay the respondent the amount of RON 11,325.21 as court expenses.

Transelectrica filed an appeal against Civil Decision no. 1532/12.10.2022 delivered by CAB.

On 19.09.2023, the High Court of Cassation and Justice upheld the appeal, quashed Decision 1532/12.10.2022 and remanded the case for retrial to the same court. **Final.** Judgment 1640/19.09.2023.

New case file no. 22567/3/2019* – the case was remanded for retrial. At the hearing on 18.02.2025, the appeal was dismissed as unfounded. The appellant-claimant was ordered to pay the respondent-defendant the amount of RON 28,777.79 as court expenses. Judgment 235/18.02.2025. Transelectrica lodged an appeal.

At the deadline of 24.02.2026, the ICCJ rejects as unfounded the main appeal declared by the appellant-plaintiff Compania Nacional de Transport al Energiei Electrice "TRANSELECTRICA" SA against civil decision no. 235 of February 18, 2025, pronounced by the Bucharest Court of Appeal - Fifth Civil Section. Rejects as unfounded the cross-appeal declared by the appellant-defendant Operatorul Piței de Energie Electrică și Gaze Naturale - OPCOM SA against civil decision no. 235 of February 18, 2025, pronounced by the Bucharest Court of Appeal - Fifth Civil Section. Rejects the parties' requests for award of court costs in the appeal. **Final.**

Case file no. 24242/3/2021 – Bucharest Tribunal, 6th Civil Division – Subject matter: the claimant OPCOM seeks the declaration of nullity of an act – in-kind contribution.

On 07.11.2023, TMB ruling (brief): the inadmissibility plea was reclassified as a substantive defence.

The statement of claim was dismissed as unfounded.

OPCOM filed an appeal. At the hearing on 13.03.2025, CAB dismissed the appeal as unfounded. Orders the claimant (OPCOM) to pay the state the amount of RON 179,550.57 as court fees.

OPCOM has filed an appeal. At the deadline of 17.02.2026, the ICCJ rejects as unfounded the appeal filed by the plaintiff SOCIETATEA OPERATORUL MINUTEI DE ENERGIE ELECTRICĂ ȘI DE GAZE NATURALE - OPCOM SA against civil decision no. 423 of 13 March 2025 pronounced by the Bucharest Court of Appeal - Fifth Civil Section. **Final.**

Case file no. 44380/3/2024 concerns: claims and conclusion of addendum for the amount of 2.914.065,21, equivalent to the value of services for calculation of rights to be collected and payment obligations of the transactions realized by PRE and PPE+ legal interest. Hearing date: **10.03.2026**.

• COURT OF AUDITORS

Between September 2023 and January 2025, the Romanian Court of Auditors, through Department IV, carried out a compliance audit at NPG CO. Transelectrica SA. The subject of the compliance audit was "the situation, evolution and management of the state's public and private assets, as well as the legality of revenue and expenditure for the period 2020-2022" at NPG CO. Transelectrica SA.

Following the completion of the audit mission, Department IV of the Romanian Court of Auditors issued the Compliance Audit Report of NPG CO. Transelectrica SA no. 6000/23.01.2025 and the Letter to Management no. 60001/23.01.2025, approved by Plenary Decision no. 47/23.01.2025, which established 17 recommendations with an implementation deadline of 30 April 2025.

On 11.03.2025, the Company filed a preliminary complaint against the above-mentioned compliance audit report.

On June 11, 2025, Transelectrica received the CCR's response to the preliminary complaint, rejecting it as inadmissible for the audit report and unfounded with regard to the plenary decision.

Following the response received from the CCR, on 7 August 2025, the Company filed a lawsuit with the Bucharest Court of Appeal (**case no. 5244/2/2025**) requesting the following:

- a) the annulment of Plenary Decision no. 47/23.01.2025 regarding the approval of the Compliance Audit Report of NPG CO. Transelectrica SA no. 6000/23.01.2025 and the Letter to Management no. 60001/23.01.2025;
- b) the partial annulment of the Compliance Audit Report of NPG CO. Transelectrica SA No. 6000/23.01.2025 and the Letter to Management No. 60001/23.01.2025 regarding the recommendations set out in points 5.1, 5.6, 5.12 in part, 5.13 in part, 5.14 in part, 5.15 and 5.16.
- c) suspension of the effects of Plenary Decision No. 47/23.01.2025 until the final resolution of the present case;

d) legal costs.

On 08.09.2025, Transelectrica requested the court to set a trial date for the resolution of the request to suspend the effects of Plenary Decision No. 47/23.01.2025 until the final resolution of the case. The court set the hearing date for 14.10.2025 to resolve the request for suspension. CAB decision: Rejects the request for suspension as unfounded. Appealable within 5 days of notification, the appeal to be filed with the Bucharest Court of Appeal - Section VIII CAF. Pronounced today, 14 October 2025, by making the decision available to the parties through the court registry. Document: Decision 1342/2025 14 October 2025.

At the hearing date of 03.02.2026, a deadline of 06.02.2026 was granted to resolve the declaration of abstention formulated by Judge Silvia Pavelescu, and at the deadline of 06.02.2026, the court Rejects as unfounded the request to abstain from judging the case with no. 5244/2/2025, formulated by Judge Pavelescu Silvia.

Hearing deadline: **31.03.2026**

• **OTHER**

The Group is involved in significant litigation, in particular for debt recovery (e.g.: Total Electric Oltenia SA - value 14,085,415.27 lei, Regia Autonomă de Activități Nucleare, Energy Holding SRL, UGM Energy Trading SRL - value 3,515,687.51 lei, CET Bacău, CET Govora - value 28,200,440.31 lei, Nuclearelectrica - value 1,290,533,156 lei+interest, CET Brașov - value 4,303,741.44 lei, Elsaco Energy SRL - value 9,198,673.80 lei, Arelco Power SRL - value 20,996,030.49 lei, Menarom PEC SA Galați - value 1,195,792.13 lei, Romelectro SA, Transenergo Com SA - value 6,850,000.98 lei, ENNET GRUP SRL, PET Communication - value 3,093,205.83 lei, ISPE, Grand Voltage SRL - value 8,331,444.60 lei, EXPLOCOM GK SRL - value 2,287,992 lei, Next Energy Partners - value 8,395,132.23 lei + legal interest, SC ENOL GRUP SA - value 3,277,527.03 lei, Aderro GP Energy and others).

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

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

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

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

Subject matter:

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

Status of the case:

At 20.03.2025, the court admits the request for summons. It obliges the defendant to pay the plaintiff the amount of 4,467,108.18 lei as well as the payment of the legal penalty interest on the amount of 3,193,869 from 21.12.2021 until the date of actual payment. It obliges the defendant to pay the plaintiff legal costs consisting of the amount of 51,378.78 lei as stamp duty and the amount of 3,000 lei as expert fees. With the right to appeal within 30 days from notification. Transelectrica appealed.

SUBSEQUENT EVENTS

Decision No. 1 of the Ordinary General Meeting of Shareholders of January 8, 2026

The ordinary general meeting of the Company's shareholders, pursuant to the provisions of Companies Law no. 31/1990, republished, with subsequent amendments and supplements, of Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and supplements, and of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and supplements, convened in session on January 8, 2026:

- approved the taking of the necessary legal steps by the shareholders to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by CNTEE Transelectrica

SA, as a result of the vote expressed by him at the General Shareholders' Meeting of November 6, 2013;

- approved the taking of the necessary legal steps by the shareholders to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by Transelectrica SA, as a result of the vote expressed by him at the General Meeting of Shareholders on September 28, 2020;
- approved the mandate of the legal representatives of the Company Transelectrica SA to carry out the necessary legal steps, to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by CNTEE Transelectrica SA, as a result of the vote expressed by him at the General Meeting of Shareholders on November 6, 2013;
- approved the mandate of the Company's legal representatives to carry out the necessary legal steps to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by Transelectrica SA, as a result of the vote expressed by him at the General Meeting of Shareholders on September 28, 2020.

Conclusion of Memorandum of Understanding on cooperation for the development of the Georgia – Romania Black Sea Submarine Cable Interconnection Project

On February 4, 2026, the Company informed investors about the signing in Bucharest, by Transelectrica and Georgian State Electrosystem JSC (GSE), the transmission and system operators in Romania and Georgia, respectively, of a Memorandum of Understanding on cooperation for the development of the Georgia - Romania Black Sea Submarine Cable Interconnection Project .

The signing of the Memorandum marks a new stage in the evolution of the project, which has already passed the feasibility study phase, is included in the ENTSO-E Ten-Year Network Development Plans (TYNDP) for 2022 and 2024 and is promoted for inclusion in the 2026 TYNDP edition.

In December 2025, the project was included on the list of Projects of Mutual Interest (PMI) of the European Union.

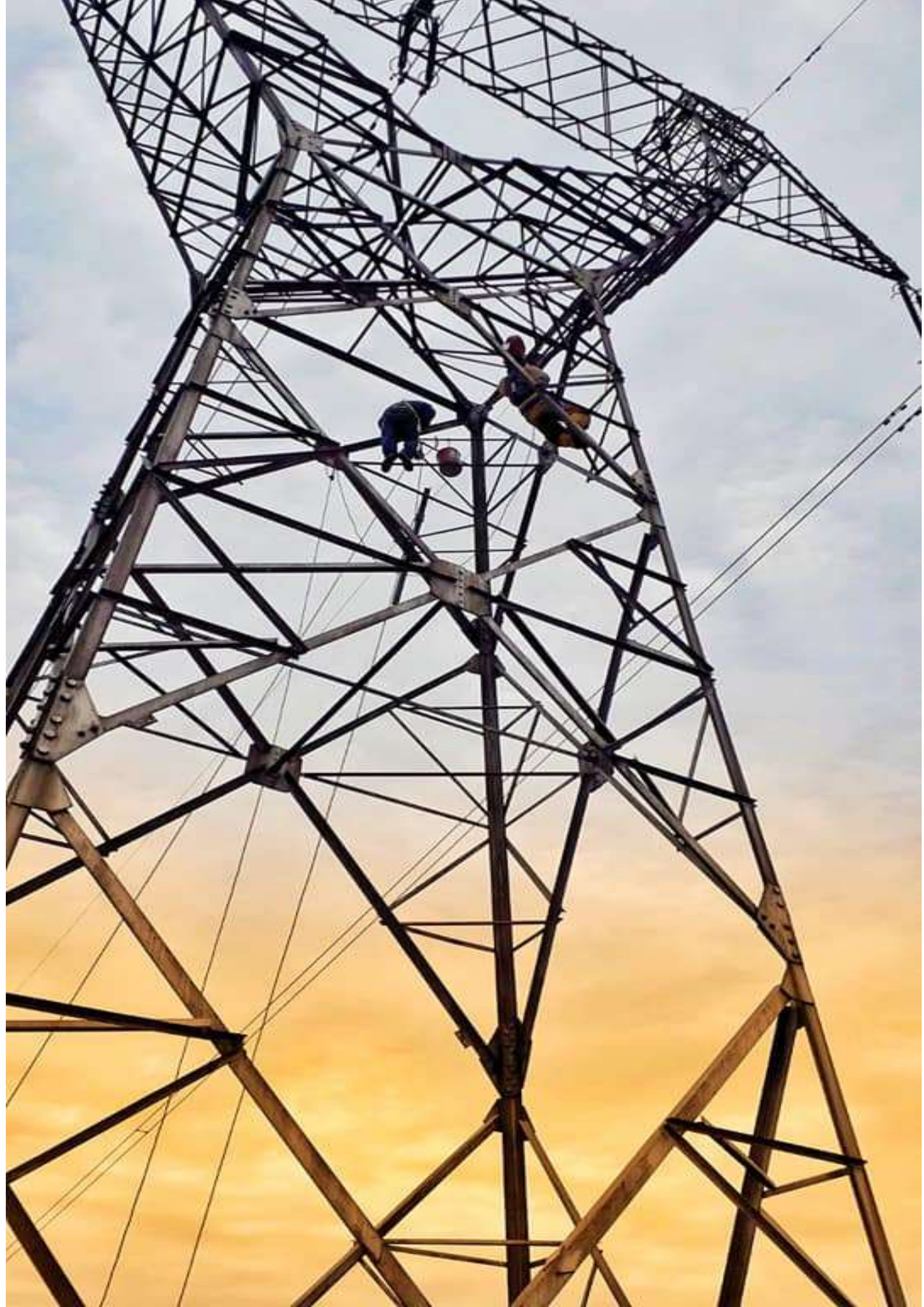
The document establishes the framework for cooperation between Transelectrica and GSE for the preparation and advancement of the high-voltage direct current (HVDC) interconnection project between Georgia and Romania, by coordinating planning activities, technical studies, marine studies, environmental and social assessments, financing and institutional representation at European and international level.

The Black Sea Submarine Cable Project is being developed in accordance with the Strategic Partnership Agreement in the field of green energy, signed in December 2022 by the governments of Azerbaijan, Georgia, Romania and Hungary, and has the potential to significantly contribute to increasing energy security, diversifying electricity transport routes and integrating renewable sources in the Black Sea region and the European Union.

Through this initiative, Transelectrica reaffirms its commitment to regional cooperation, the development of critical electricity transmission infrastructure and the consolidation of Romania's position in the European energy architecture.

Moody's reconfirms Baa3 rating

The company informed shareholders and stakeholders that, on March 16, 2026, Moody's Ratings published the Annual Update of the Credit Opinion for NPG Co. Transelectrica S.A. Through this report, the agency reconfirms the long-term credit rating at Baa3, while maintaining the negative outlook and the individual credit profile (BCA) at ba1.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
C.N.T.E.E. TRANSELECTRICA S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of C.N.T.E.E. TRANSELECTRICA S.A. and its subsidiaries ("the Group"), with registered office in Olteni Street, numbers 2-4, Bucharest, district 3, identified by unique tax registration code RO 13328043, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.
2. The consolidated financial statements as at 31 December 2025 are identified as follows:
 - Equity 6,072,155 thousand RON
 - Net profit for the financial year 364,499 thousand RON
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards ("MoPF 2844/2016").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Romania, including the Regulation and the Law 162/2017. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

5. We draw attention to Note 2 of the consolidated financial statements, which describes that the Group prepares two sets of consolidated financial statements, one under statutory regulations, namely Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, and one under IFRS Accounting Standards. These consolidated financial statements are prepared under MoPF 2844/2016, which differs from International Financial Reporting Standards ("IFRS") as adopted by the European Union, as summarized in Note 2. Consequently, these consolidated financial statements do not comply with IFRS. Our audit report is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Audit approach within the audit engagement
Recognition of revenue from the electricity transportation activity The revenue generated from the electricity transportation activity constitutes the Group's core business. Recognition of revenue arising from this activity depends on the proper assessment of the contractual consideration and its recording in the relevant period, in accordance with the commercial clauses stipulated in the customer contracts. We consider revenue recognition to be a significant area of audit, as the Company's management may incorrectly account for revenue from the electricity transportation activity due to the nature of sales transactions and contractual clauses regarding the date on which control is transferred over the services provided. Moreover, revenue represents one of the Group's most important key performance indicators. The Group's disclosures regarding revenue are included in Note 22 to the financial statements.	The audit approach for testing revenue related to electricity transmission activities was based solely on substantive testing. Our audit procedures performed to address the risk of significant misstatement in revenue recognition included the following: • We evaluated the Group's accounting policies regarding revenue recognition. • We confirmed, for a selection of customers, the revenue for 2025 to assess the completeness of transactions carried out by the Group with those customers. • We selected a random sample of revenues, which we compared with relevant supporting documents to ensure the accuracy and classification of recorded transactions, also validating the financial period in which they were to be recorded according to the date on which control was transferred over the services provided by the Group as seller to the client as buyer. • We carried out analytical procedures that involved analyzing revenue by comparing the current period with the previous period. • We assessed whether the information presented in the explanatory notes was appropriate.

Other Information

7. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' consolidated report and the Remuneration report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements for the year ended 31 December 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information – Administrator's consolidated report

With respect to the Administrator's consolidated report, we read it and report that it has been prepared, in all material respects, in accordance with the provisions of MoPF 2844/2016, with subsequent amendments.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

- a) the information included in the Administrator's consolidated report for the financial year for which the consolidated financial statements have been prepared is consistent, in all material respects, with the consolidated financial statements.
- b) the Administrator's consolidated report has been prepared, in all material respects, in accordance with the provisions of MoPF 2844/2016, with subsequent amendments.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at 31 December 2025, we are required to report if we have identified a material misstatement of this Administrator's consolidated report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with MoPF 2844/2016 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

16. The Group's financial statements for the year ended December 31, 2024, were audited by another auditor, who issued an unmodified opinion on those statements on April 30, 2025.

Report on Other Legal and Regulatory Requirements – Public Interest Entities

17. We were appointed by the General Meeting of Shareholders on November 11, 2025, to audit the financial statements of C.N.T.E.E. TRANSELECTRICA S.A. for the financial year ended 31 December 2025. The uninterrupted total duration of our commitment is one year, covering the financial year ended December 31, 2025.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Group that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

Report on the Information Regarding Income Tax

18. For the financial year preceding the financial year for which the financial statements were prepared, the Group was not required under MoPF 2844, articles 60² - 60⁶, to publish a report on income tax information.

The engagement partner on the audit resulting in this independent auditor's report is Alina Mirea.

Alina Mirea, Audit Partner

*For signature, please refer to the original
Romanian version.*

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under AF 1504*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under FA 25*

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
23 March 2026

CNTEE TRANSELECTRICA SA

Company managed in a dualistic system

**Consolidated Financial Statements
on the date and for the financial year ended on
December 31, 2025**

**Prepared in accordance with
Order of the Minister of Public Finance no. 2844/2016**

CNTEE TRANSELECTRICA SA OMFP 2844/2016
CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

TABLE OF CONTENTS

Consolidated financial position	3
Consolidated statement of the profit and loss account	5
Consolidated statement of changes in equity	7
Consolidated cash flow position	9
Explanatory notes to the consolidated financial statements	11
1. Description of the activity and general information	11
2. Basics of preparation	25
3. Accounting policies	27
4. Determination of fair value	41
5. Tangible fixed assets	42
6. Fixed assets related to rights of use of leased assets	46
7. Intangible assets	48
8. Financial fixed assets	49
9. Inventories	51
10. Trade receivables and other receivables	52
11. Cash and cash equivalents	56
12. Other financial assets	57
13. Equity	57
14. Advance revenue	59
15. Loans	60
16. Obligations regarding employee benefits	63
17. Trade and other liabilities	67
18. Provisions	69
19. Corporate income tax	70
20. Earnings per share	73
21. Other taxes and obligations for social security	73
22. Operating income	73
23. Expenses for system operation and balancing market	77
24. Amortization	79
25. Personnel expenses	80
26. Other operating expenses	81
27. Other gains or losses	82
28. Net financial result	82
29. Fiscal legislative framework	83
30. Commitments and quotas	83
31. Related Parties	91
32. Management Pay	92
33. Minority interests	93
34. Financial instruments	93
35. Fees charged by each statutory auditor or audit firm	99
36. Environmental objectives	99
37. Subsequent events	100

CNTEE TRANSELECTRICA SA OMFP 2844/2016
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025	December 31, 2024
Assets			
Non-current assets			
Tangible assets	5	6,414,639	5,915,254
Assets representing rights of use under a lease	6	6,958	8,150
Intangible assets	7	259,223	313,147
Investments accounted for using the equity method	8	3,372	-
Financial assets	8	40,309	40,833
Total non-current assets		6,724,502	6,277,384
Current assets			
Inventories	9	60,662	58,144
Trade receivables and other receivables	10	3,371,004	3,782,840
Corporate tax to be recovered		12,181	-
Cash and cash equivalents	11	761,192	707,174
Total current assets		4,205,038	4,548,158
Total assets		10,929,540	10,825,542
Equity and liabilities			
Equity			
Share capital		733,031	733,031
Share premium		50,222	49,843
Legal reservations		146,606	146,606
Revaluation reserves		1,496,393	1,596,896
Other reserves		299,170	256,747
Retained earnings		3,346,732	3,123,993
Total equity attributable to Group owners	13	6,072,155	5,907,116
Non-controlling interests	33	-	-
Total equity		6,072,155	5,907,116
Non-current liabilities			
Long term deferred revenues	14	831,220	538,015
Long term Borrowings	15	1,471	7,918
Other loans and similar debts - Long-term leasing	17	3,181	1,604
Deferred tax liabilities	19	225,152	257,169
Employee benefits obligations	16	83,979	116,159
Other long-term liabilities		-	5,613
Total non-current liabilities		1,145,002	926,478

	Note	December 31, 2025	December 31, 2024
Current liabilities			
Trade and other liabilities	17	3,424,075	3,855,244
Other loans and similar debts - short term	17	3,629	7,328
Other taxes and social security obligations	21	22,585	25,537
Current Borrowings	15	184,354	32,641
Provisions	18	38,399	35,953
Short term deferred revenues	14	24,041	22,232
Income tax payable		-	13,013
Employee benefits obligations	16	15,299	-
Total current liabilities		3,712,383	3,991,948
Total liabilities		4,857,385	4,918,426
Total equity and liabilities		10,929,540	10,825,542

The attached consolidated financial statements were signed by the management on March 18, 2026:

Directore,

**Ștefăniță
MUNTEANU**
President

**Cătălin-Constantin
NADOLU**

Member
Directorate

**Cosmin Vasile
NICULA**

Member
Directorate

**Florin-Cristian
TATARU**

Member
Directorate

Ana-Iuliana DINU
Director of the Economic and Financial
Directorate

Cristiana Zîrnovan
Manager of the Budget and Management Reporting
Department

	Note	December 31, 2025	December 31, 2024
Operating income	22		
Transmission revenues		2,263,255	2,024,457
System service revenues		573,786	633,277
Balancing market revenues		2,676,211	4,965,724
Other revenues		102,172	280,518
Operating expenses			
System Operating Expenses	23	(640,831)	(715,613)
Balancing market expenses	23	(2,676,254)	(4,965,535)
System services expenses	23	(705,985)	(523,611)
Depreciation and amortization	24	(402,522)	(371,792)
Personnel expenses	25	(541,951)	(489,463)
Repairs and maintenance expenses		(81,894)	(66,410)
Materials and consumables		(39,692)	(23,014)
Other operational expenses	26	(195,466)	(173,302)
Net adjustments for impairment of receivables	10	(6,452)	-
Other gains or losses	27	3,848	-
Operating result		328,225	575,235
Financial revenues		35,091	26,879
Financial expenses		(10,872)	(17,204)
Share of profit/(loss) of equity investments		(378)	-
Net financial result	28	23,841	9,675
Profit before income tax		352,066	584,910
Income tax	19	12,433	(4,802)
Result of the year from continuing operations		364,499	580,108
RESULT OF THE EXERCISE			
Attributable:			
Company Shareholders		364,499	580,108
Non-controlling interests		-	-
Basic and diluted earnings per share (lei/share)	20	4.97	7.91

*Diluted earnings are equal to basic earnings as the Group does not hold instruments that could be converted into ordinary shares.

CNTEE TRANSELECTRICA SA OMFP 2844/2016
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025	December 31, 2024
Result of the exercise		364,499	580,108
Other elements of the comprehensive income			
Items that will not be reclassified in the profit and loss account, of which:			
- Effects of revaluation reserve taxation	5	(787)	(6,014)
- Surplus from the revaluation of tangible assets	13	18,050	-
- Actuarial loss related to the defined benefit plan	16	21,911	(414)
Total other comprehensive income (OCI)		39,174	(6,428)
Total consolidated comprehensive income		403,672	573,680
Attributable:			
Company Shareholders		403,672	573,680
Non-controlling interests		-	-

The attached consolidated financial statements were signed by the management on March 18, 2026:

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CNTEE TRANSELECTRICA SA OMFP 2844/2016
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Non-controlling interests	Total
Balance on January 1, 2025	733,031	49,843	146,606	1,596,896	256,747	3,123,993	5,907,116	-	5,907,116
Comprehensive result of the period									
Result of the period	-	-	-	-	-	364,499	364,499	-	364,499
Other comprehensive revenue items									
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	21,911	21,911	-	21,911
Surplus from revaluation of tangible assets	-	-	-	18,050	-	-	18,050	-	18,050
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(787)	-	-	(787)	-	(787)
Total other comprehensive revenue items	-	-	-	17,263	-	21,911	39,174	-	39,174
Total comprehensive result of the period	-	-	-	17,263	-	386,410	403,672	-	403,672
Increase of the legal reserve	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves to retained earnings	-	-	-	(117,767)	-	117,767	-	-	-
Minority interests	-	-	-	-	-	-	-	-	-
Other elements	-	379	-	-	-	(2,152)	(1,772)	-	(1,772)
Total other items	-	379	-	(117,767)	-	115,615	(1,772)	-	(1,772)
Subsidies related to fixed assets of a public heritage nature	-	-	-	-	42,423	-	42,423	-	42,423
Other reserves	-	-	-	-	-	-	-	-	-
Dividend Distribution (Note13)	-	-	-	-	-	(279,285)	(279,285)	-	(279,285)
Total transactions with owners	-	-	-	-	42,423	(279,285)	(236,862)	-	(236,862)
Balance on December 31, 2025	733,031	50,222	146,606	1,496,393	299,170	3,346,732	6,072,155	-	6,072,155

The attached consolidated financial statements were signed by the management on March 18, 2026:

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Manager of the Budget and Management Reporting Department

CNTEE TRANSELECTRICA SA OMFP 2844/2016
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Non-controlling 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	-	-	-	-	-	580,108	580,108	-	580,108
Other comprehensive revenue items									
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	(414)	(414)	-	(414)
Surplus from revaluation of tangible assets	-	-	-	-	-	-	-	-	-
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(6,014)	-	-	(6,014)	-	(6,014)
Total other comprehensive revenue items	-	-	-	(6,014)	-	(414)	(6,428)	-	(6,428)
Comprehensive result of the period	-	-	-	(6,014)	-	579,694	573,680	-	573,680
Increase of the legal reserve	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves to retained earnings	-	-	-	(135,761)	-	135,761	-	-	-
Minority interests	-	-	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	(2,137)	(2,137)	-	(2,137)
Total other items	-	-	-	(135,761)	-	133,624	(2,137)	-	(2,137)
The derecognition of fixed assets of the nature of public patrimony through the registration of GD no. 615, 682 and 683 of 2019 amending the inventory of public domain goods	-	-	-	(31)	-	-	(31)	-	(31)
Subsidies related to fixed assets of a public heritage nature	-	-	-	-	60,996	-	60,996	-	60,996
Other reserves	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(20,525)	(20,525)	-	(20,525)
Total transactions with owners	-	-	-	(31)	60,996	(20,525)	40,440	-	40,440
Balance as of December 31, 2024	733,031	49,843	146,606	1,596,896	256,747	3,123,993	5,907,116	-	5,907,116

The attached consolidated financial statements were signed by the management on March 18, 2026:

Director,

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CNTEE TRANSELECTRICA SA OMFP 2844/2016
CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025	December 31, 2024
Cash flows from operating activity			
Profit/Net Loss		364.499	580.108
Adjustments for:			
Profit tax expense		(12.433)	4.802
Depreciation expenses (including additional CPT)		402.522	371.792
Grid losses anticipatory tariff income		(924)	(102.020)
Expenses with adjustments for impairment of trade receivables		2.598	34
Income from the reversal of provisions for the impairment of trade receivables		(1.579)	(6.968)
Losses from various debtors		4.607	9.308
Net income with adjustments for impairment of miscellaneous debtors		934	(13.428)
Net expenses with inventory impairment adjustments		3.337	(1.480)
Profit/Loss on sale of property, plant and equipment, net		2.575	2.080
Net impairment expenses related to property, plant and equipment		(7.227)	9
Expenses/Income on provisions for risks and expenses, net		822	(20.612)
Net financial expenses related to impairment adjustments for fixed assets		1.775	389
Interest expenses, interest income and unrealized income from exchange rate difference		(24.300)	(11.362)
Cash flows before changes in working capital		737.206	812.652
Changes in:			
Inventories		(5.815)	6.923
Clients and similar accounts		410.379	(1.655.313)
Trade and other liabilities		(521.898)	1.683.048
Investments accounted for using the equity method	8	378	-
Other taxes and social insurance liabilities		(2.951)	(510)
Deferred revenues		308.333	43.495
Cash flows from operational activities		925.632	890.295
Interest paid		(2.545)	(2.759)
Paid income tax		(44.488)	(32.150)
Net cash generated from operational activities		878.599	855.386
Cash flows used in investment activity			
Acquisition of tangible and intangible assets		(746.494)	(687.111)
Participation titles held in GECCO Power Company		(3.750)	-
Proceeds from EC non-reimbursable financing		29.104	42.494
Received Interests		6.604	7.008
Proceeds from the sale of property, plant and equipment		5.733	3.374
Dividends received		23.118	15.761
Net cash used in investment activity		(685.685)	(618.474)

CNTEE TRANSELECTRICA SA OMFP 2844/2016
CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025	December 31, 2024
Cash flows used in financing activity			
Repayments of non-current borrowings	15	(24.239)	(23.978)
Use of credit line Smart and Teletrans	15	-	1.281
Lease payments	6	(12.379)	(12.247)
Dividends paid	13	(279.699)	(21.694)
Net cash used in financing activities		(316.317)	(56.638)
Cash and cash equivalents as at January 1 st		707.174	526.900
Net decrease/increase in cash and cash equivalents		(123.403)	180.274
Cash and cash equivalents at the end of the period		583.771	707.174

The attached consolidated financial statements were signed by the management on March 18, 2026:

Directore,

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Department

1. Description of the activity and general information

The main activity of CNTEE Transelectrica SA (the "Company") and of the companies that fall within the scope of consolidation (together with the Company, the "Group") consists: the provision of the electricity transmission service and the system service, balancing market operator, administrator of the bonus support scheme, other related activities. These activities are carried out in accordance with the provisions of the operating license no. 161/2000 issued by ANRE, updated by ANRE Decision no. 1793/26.08.2025 (until 22.12.2025), and starting with 23.12.2025, based on license no. 2706/2025 issued by ANRE, with subsequent amendments and completions 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 address of the registered office is: Olteni Street no. 2 – 4 sector 3, Bucharest, Romania. Currently, the activity of the Company's executive is carried out within the registered office in Olteni Street no. 2-4 sector 3, Bucharest.

The Group's consolidated financial statements as of December 31, 2025, prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016, are available at the Company's registered office located at 2-4 Olteni Street, sector 3, Bucharest.

Since 2006, the Company's shares have been traded on the Bucharest Stock Exchange under the symbol TEL.

In accordance with the Resolution of the Extraordinary General Meeting of Shareholders dated July 18, 2012, the Company switched from the unitary management system to the dualistic management system in order to achieve the clear separation of the management activity from the control activity. Thus, the Company is managed by a Directorate, under the supervision of a Supervisory Board.

Company Establishment

In accordance with the Government Decision ("GD") no. 627 on the reorganization of the National Electricity Company - SA ("Predecessor Entity"), issued on July 31, 2000 by the Romanian Government, it was divided into four newly created entities ("Successor Entities"). The sole shareholder of the successor Entities was the Romanian State, through the Ministry of Economy ("ME"). Following this reorganization, CNTEE Transelectrica SA was established as a joint stock company and with the main object of activity transport, dispatching of electricity, organization and administration of the electricity market.

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

On 14.11.2019, Depozitarul Central S.A. recorded 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 to the Government, as a result of the implementation of the provisions of the Government Emergency Ordinance no. 68/06.11.2019 on the establishment of measures at the level of the central public administration and for the modification and completion of some normative acts.

As presented in Note 13, the shareholders of CNTEE Transelectrica SA as of December 31, 2025 are: the Romanian State represented by the General Secretariat of the Government which holds a number of 43,020,309 shares (58.69%), the privately managed pension fund NN with a number of 4,007,688 shares (5.47%), PAVAL HOLDING with a number of 4,753,567 shares (6.49%), other shareholders Legal Entities with a number of 16,839,437 shares (22.97%) and other shareholders Individuals with a number of 4,682,141 shares (6.38%).

These Consolidated Financial Statements prepared as of the date and for the financial year ended December 30, 2025, include the financial information of the parent company and of the consolidated companies Smart SA and Teletrans SA, but also of the jointly controlled company GECO Power Company.

CNTEE TRANSELECTRICA SA OMFP 2844/2016

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

GROUP STRUCTURE

The companies that enter the scope of consolidation as well as the percentage of the participations held by the Company are presented below:

Entity	Country from origin	December 31 2025	December 31, 2024	Metod de consolidare
		% participation	% participation	
SMART SA	Romania	100%	100%	Global integration
TELETRANS SA	Romania	100%	100%	Global integration
GECO POWER COMPANY	Romania	25%	0%	Equivalence

SMART SA

The Commercial Company for Maintenance Services of the Electricity Transmission Network "SMART" SA was established in 2001, by GD no. 710/19.07.2001 through the reorganization of some activities within Transelectrica.

The address of the registered office is in Magheru Blvd. no. 33 sector 1 Bucharest and the headquarters is at the Gheorghe Șincai Blvd. no. 3, "Formenerg" Building, 1st floor, sector 4 Bucharest.

The company's main activity is to carry out overhauls and repairs to primary equipment and equipment in the electrical networks (so that the RET installations operate in safe conditions at the level of performance required by the license), remediation of incidents at electrical installations, provision of services in the energy field, 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 remains, that of ensuring preventive maintenance, special works and corrective maintenance of the Electricity Transmission Network (RET) starting from Transelectrica's primary objective: to ensure the transmission of electricity in the national transmission network in safe and stable conditions.

The company offers professional services at a high level of performance, respectively, maintenance, repairs, expertise, consultancy for:

- Low, medium, high and very high voltage switchgear and equipment – up to and including 750kV,
- Equipment and circuits for protection, automation, measurement, command – control,
- 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 of 31.12.2025 is 38,529, Transelectrica being the sole shareholder. SMART's results are consolidated with the Company's financial results. SMART shares are 100% owned by Transelectrica.

TELETRANS SA

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

The address of the registered office is in 16 – 18 Hristo-Botev Blvd., sector 3, Bucharest and the head office is at the work point at 12 Str. Stelea Spătarul Street, sector 3, Bucharest.

The company has a high level of competence in profoundly unique areas of systems and process management in the energy industry.

Based on the Statute and the applicable normative acts, Teletrans holds the ANCOM certificate of provider of electronic communications networks or services since 2002 (O.U.G. no. 679/2002), through

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

which it benefits from the right to provide the following electronic communications services:

- Public electronic communications networks (as of 11.11.2004);
- Electronic communications services intended for the public: (i) Leased line services and (ii) Electronic communications services, other than telephony and leased lines (as of 01.07.2003);
- Private electronic communications networks and services (starting with 15.01.2003).
- Also, TELETRANS staff benefits from relevant certifications in the operation and administration of IT&C systems dedicated to critical infrastructures.

TELETRANS uses a fiber optic network built in a reliable OPGW technology, with access points in 110 localities, as well as cross-border connections with Hungary, Bulgaria and Serbia and provides EMS/SCADA system integration services for renewable energy producers and new command-control systems in refurbished 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 electrical stations, maintenance services of the telemetering system related to the wholesale electricity market and telecommunications services by selling the surplus of existing capacities in the fiber optic communication infrastructure.

On September 23, 2025, the merger procedure was completed by absorption between the Company for Telecommunications Services and Information Technology in Electrical Transmission Networks – TELETRANS S.A., as the absorbing company, and the company "Formenerg" S.A., as the absorbed company. According to the applicable legislation, as of September 23, 2025, Teletrans has taken over all the rights and obligations assumed prior to the merger by Formenerg. The company Formenerg 100% owned by Transelectrica as of 31.12.2024 has not been consolidated as mentioned in Note 3 a (i).

The subscribed and paid-up share capital as of 31.12.2025 is 6,978, Transelectrica being the sole shareholder. Teletrans's results are consolidated with the Company's financial results. TELETRANS shares are 100% owned by Transelectrica.

GECO POWER COMPANY

The company established on January 31, 2025 according to the Registration Certificate issued by the ONRC, is a Romanian legal entity, constituted in the form of a limited liability company.

The company was established in accordance with:

- Decision no.4 of the Extraordinary General Meeting of Shareholders of August 12, 2024 by which the Extraordinary General Meeting of Shareholders of the Company approved the Company's participation in the share capital of a new company, together with the other relevant parties designated at the level of the Republic of Azerbaijan, Georgia, and Hungary, except for the main object of activity which will be "Activities of holding companies" activity coded NACE 642, respectively 6420,
- The Memorandum of Understanding by which the Parties agree to make the necessary efforts to take the necessary steps to establish a Joint Venture company, based in Romania, between Transelectrica, AzerEnerji JSC, Georgian State Electrosystem and MVM Zrt., signed on May 27, 2024 in Bucharest,
- Memorandum of Understanding between the relevant ministries of Romania, the Republic of Azerbaijan, Georgia, Romania and Hungary on cooperation in the field of green energy, signed on 21.11.2023 in Budapest (Hungary),
- The Memorandum of Understanding on the establishment of a Joint Venture company between the relevant entities of the governments of the Republic of Azerbaijan, Georgia, Romania and Hungary signed on 25.07.2023 in Bucharest, by which Transelectrica is designated as a relevant party for Romania,
- Agreement of 17 December 2022 between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the Development and Transmission of Green Energy, taking into account the joint initiative of Georgia and Romania for the development and implementation of the Black Sea submarine cable project and the ongoing feasibility study for this project which started on 11 April 2022, initiated by Georgia, which was joined by Romania and the Republic of Azerbaijan,

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

The address of the registered office is in Romania, Bucharest, Sector 3, 2-4 Olteni Street, 3rd floor, room 306, the object of activity being Activities of holding companies.

The subscribed and paid-up share capital of the company is RON 15 million, being divided into a number of 1,500,000 shares with a nominal value of RON 10/share.

The share capital is held by the shareholders as follows:

- "AZERENERJI" Open Joint Stock Company, contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of 10 lei/share and in a total amount of 3.75 million lei, profit sharing 25% and loss sharing 25%,
- JSC Georgian State Electrosystem, contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of RON 10/share and in a total amount of RON 3.75 million, profit sharing 25% and loss loss 25%,
- MVM Energy Private Limited Liability Company contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of RON 10/share and in a total amount of RON 3.75 million, profit sharing 25% and loss loss 25%,
- The National Electric Energy Transmission Company Transelectrica SA, contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of RON 10/share and in a total amount of RON 3.75 million, profit sharing 25% and loss loss 25%.

Group Mission

The Group's mission is to ensure the functioning of the National Energy System (SEN) in conditions of maximum safety and stability, meeting quality standards, thus creating the infrastructure of the national electricity market and guaranteeing, at the same time, regulated access to the electricity transmission network, in conditions of transparency, non-discrimination and equidistance for all market participants.

Other information related to the Group's activity

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

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

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

Transelectrica SA is an affiliated member of the following international bodies:

- ENTSO – E - European Network of Transmission System Operators for Electricity;
- CIGRE - International Council of Large High Voltage Power Grids;
- LWA - International Association of Work Under Tension;
- WEC - World Energy Council.

CNTEE Transelectrica SA has the obligation to ensure the long-term capacity of the system to meet reasonable electricity transmission demands, to operate, maintain and develop in economic conditions a safe, reliable and efficient transmission system that respects the environment, in close cooperation with neighbouring transmission and system operators and distribution operators, fulfilling the provisions of EU Directive 2019/944, art. 40.

The year began with the reconfirmation by Moody's, on January 17, 2025, of the Baa3 rating with a stable outlook, the basic credit rating (BCA) being maintained at the ba1 level. This analysis highlighted the low

risk profile, supported by the Company's natural monopoly position and the maintenance of balanced financial indicators.

Subsequently, on March 18, 2025, the agency aligned the perspective of Transelectrica's rating with that of Romania's sovereign rating, which became "negative", while the issuer rating **(Baa3) and BCA (ba1)** remained unchanged.

As of December 31, 2025, the credit profile of CNTEE Transelectrica SA maintains its solidity, being confirmed in the investment-grade **category (Baa3)** for the fourth consecutive year. The evolution of this financial year reflects the correlation between the Company's operational stability and the dynamics of the current macroeconomic context.

The upward trend of Transelectrica's shares, supported by a prudent level of indebtedness, underlines the solidity of the investment profile, with investors prioritising internal creditworthiness indicators over fluctuations in the external macroeconomic context.

Legislative environment

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

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

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

The Company's operational activity is carried out as follows:

- until 22.12.2025, based on the license no. 161/2000 for the transmission of electricity and the provision of the system service issued by ANRE, updated by ANRE Decision no. 1793/26.08.2025,
- starting with 23.12.2025, based on the license no. 2706/2025 for the provision of the electricity transmission service, as well as the system balancing services, and the General Conditions associated with the license approved by ANRE Order no. 104/2014, as subsequently amended and supplemented.

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

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

Final certification of Transelectrica as a TSO of the SEN, according to the ownership separation model

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

The model of separation of ownership rights became available to the Company pursuant to Law no. 123/2012 on electricity and natural gas transposing Directive 2009/72/EC.

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

This order implements the provisions of the European Union and national legislation regarding the certification of the transmission system operator.

The notification regarding the certification was sent to the European Union, which published it in the EU

Journal on 08.01.2016, in accordance with Art.10 para. (2) of Directive 2009/72/EC.

Tariff for electricity transmission service and system service

The electricity transmission activity is an activity of public interest, with the character of a natural monopoly, authorized and monitored by the National Energy Regulatory Authority (ANRE).

The tariffs related to the transmission and system services are established and approved by ANRE based on the specific methodologies, which constitute the framework for calculating the tariffs. (see Note 28(f)).

The methodology for setting tariffs for the electricity transmission service is based on the "revenue cap" principle, under which **the total allowed revenue** is determined based on the regulated costs recognized by ANRE. The cost base includes:

- **operational costs** (controllable and uncontrollable OPEX),
- **capital costs** (investments, regulated depreciation, return on invested capital).

The model aims to ensure the efficient operation of the transmission network, maintain the financial viability of the operator and adequately remunerate the capital invested. It includes mechanisms to boost operational efficiency, as well as a profitability framework based on **the Regulated Asset Base (BAR)** and the **Regulated Rate of Return (RRR)**, determined according to the weighted average cost of capital (WACC).

The pricing of electricity transmission services is carried out during regulatory periods. Regulatory periods are multiannual tariff regulatory cycles (5 years), during which a tariff calculation methodology is applied and for which a complete set of parameters is predetermined over the horizon of those periods for the actual calculation of tariffs. The establishment of pricing parameters over multi-year horizons provides a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

At the beginning of each regulatory period, ANRE establishes **the initial annual target revenue**, determined by summing the recognized regulated costs and the regulated profitability related to the regulated asset base. Both operational and capital costs are included in the structure of regulated costs, but certain categories of expenditure are subject to efficiency requirements that limit the level recoverable by the regulated tariff (e.g. controllable operating and maintenance costs and own technological consumption costs).

The series of annual target revenues for a regulatory period is subsequently reprofiled through a linearisation procedure in order to avoid significant variations in regulated revenues from one tariff year to another. Linearisation contributes to the stability of tariffs and the predictability of cash flows by evenly distributing the revenues allowed throughout the regulatory period. The reprofiled income is adjusted annually with the consumer price index to reflect the evolution of economic costs.

Within a regulatory period, tariffs are reviewed annually and remain valid for periods of 12 months. The differences between the forecast and the actual values of the parameters used in the calculation of the tariff are regularised by **explicit corrections**, applied in the following tariff years or at the beginning of the next regulatory period.

For certain categories of costs, which are subject to caps, exceeding the forecast level of those costs is not compensated. Also, in the case of certain cost components, the savings achieved are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- **Operational costs:** controllable OPEX (subject to efficiency factors), uncontrollable costs, own technological consumption (CPT), internal congestion, costs and revenues related to the ENTSOE mechanism (ITC);
- **Capital costs:** planned investments in the network, Regulated Asset Base (BAR), regulated depreciation, return on invested capital ($RRR \times BAR$);
- The amount of electricity that can be charged, the price of reactive energy.

Transmission tariffs are invoiced on the basis of the quantities of active energy introduced or extracted from public electricity grids, excluding imports and exports. Transelectrica charges:

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

- **TG** – tariff for the introduction of energy into the grid,
- **TL** – the tariff for extracting energy from the grid.

TG does not apply to energy produced by plants with an installed capacity ≤ 5 MW or to imported energy. The TL does not apply to exported energy.

The year 2025 is the first year in the series of five consecutive years that form the fifth period of multiannual tariff regulation for the electricity transmission activity (January 1, 2025 – December 31, 2029).

The main coordinates of the fifth regulatory period are established by ANRE based on the specific regulatory framework, respectively the methodology for setting the tariff for the electricity transmission activity, approved by *ANRE Order no. 68/2024* with subsequent amendments and completions.

Compared to the fourth regulatory period (January 1, 2020 – December 31, 2024), the framework applicable to the fifth period (2025–2029), established by *ANRE Order no. 68/2024*, maintains the fundamental regulatory principles of the "ceiling income" type, the structure of regulated income and its formation, the recovery of operating costs, the recovery and remuneration of the capital invested in regulated assets, the nature of the incentive elements, the method of collecting regulated income and the efficiency mechanisms.

The main novelty elements introduced by ANRE Order no. 68/2024

- **Specific investment incentives:**
 - ✓ +1 pp to RRR for investments made from own sources exceeding the annual minimum mandatory amount.
 - ✓ +0.5 pp to RRR for fixed assets related to projects co-financed by non-reimbursable European funds, put into operation in the period 2025–2029.
- **Performance mechanism (KPI):**
 - ✓ adjustment of the RRR by ± 0.5 pp depending on the annual performance of the TSO on smart grid development, energy efficiency and integration of renewable sources;
 - ✓ the base levels of RRR are 6.94% for network assets and 4.94% for non-network assets.
- **Differential treatment for certain assets:**
 - ✓ for administrative buildings and facilities put into operation after January 1, 2025, RRR is reduced by 2 pp.

These changes aim to increase investment discipline and to tighten the correlation between costs, performance and tariff levels.

Starting with April 1, 2025, the legislative framework on the capping of electricity prices ceases to be applicable, which leads to the elimination of exceptional mechanisms of intervention on prices on wholesale markets and, implicitly, on the costs of technological own consumption recognized in tariffs. In the new context, the energy costs for covering the own technological consumption in the transmission network will be recognized and recovered within the standard regulatory mechanism for the fifth regulatory period, in accordance with the methodology approved by *ANRE Order no. 68/2024*, maintaining the principles of prudence, efficiency and financial sustainability for the transmission system operator.

System services (SS) represent the set of technical services necessary to maintain the operational safety of the National Electricity System (SEN), the permanent balance between production and consumption and the maintenance of electricity quality parameters. These services are purchased by the transmission system operator (TSO) from electricity producers and are provided to SEN users.

The SS tariff is established and approved by ANRE based on the Methodology approved by *ANRE Order no. 116/2022*. The methodology is based on a mechanism that fully covers the justified costs of the TSO with the acquisition and management of system technology services, without generating additional profit for the operator.

Tariff SS include:

- the projected costs of the acquisition of system services (reserves for active power frequency

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

regulation, reactive voltage-power regulation, defense and restoration services),

- exposed corrections for differences between forecasted and actual costs,
- adjustments for the variation in the volume of tariffable electricity.

The SS tariff applies to all quantities of electricity extracted from public electricity networks and is invoiced to suppliers and final consumers. The revenues related to this tariff are intended exclusively to cover the costs of the acquisition and supply of SS, and any differences from the recognised costs are regularised in the following years.

Regulated Asset Base ('BAR')

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

In 2025, the regulated rate of return on assets for the electricity transmission activity, expressed in real terms before tax, had the following values:

- 6.94% value established in ANRE regulations and applied between January 1, 2025 and December 31, 2025.

Compared to the RRR base value of 6.94% established for the fifth regulatory period, we specify that the ANRE regulations in force provide for specific variations depending on the nature of the assets and the source of financing: an incentive of 0.5 percentage points above the base rate (total 7.44%) applicable to the co-financing rate for investments made through non-reimbursable funds, respectively a decrease of 2 percentage points (total 4.94%) for endowment-type assets, according to the methodology for calculating the Regulated Assets Base.

At the beginning of 2025, the BAR value related to the electricity transmission activity, established by ANRE based on the investments made by CNTEE Transelectrica SA in the fourth regulation - is approx. 3,397 million lei, this value comprising the revaluation of fixed assets as of December 31, 2023, accepted by ANRE in the amount of approximately 850 million lei. By investments made we mean completed investments, respectively objectives put into operation and recorded as fixed assets in the Company's accounting records.

The total volume of investments approved for the fifth regulatory period is approx. 2,973 million lei. Of this total volume, it was forecast that a part in the amount of approx. 1,454 million lei representing approx. 49% of the total approved investment volume will be financed from non-reimbursable European funds and from the revenues obtained by Transelectrica from the allocation of cross-border interconnection capacity. Thus, in the programming of the Regulated Assets Base for the fifth regulatory period, a volume of RON 1,519 million was included, representing approx. 51% of the total approved investment volume, respectively the part of the total approved investment volume that is estimated not to be financed from the non-reimbursable sources mentioned above.

Transelectrica's inclusion in local and international stock market indices

The shares issued by Transelectrica have been traded since 29.08.2006 on the regulated market, administered by BVB, at category I, under the symbol TEL. Starting with 05.01.2015, the Company is classified in the Premium category of the regulated market administered by BVB.

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

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

On July 29, 2024, 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 finance (except investment funds) of which Transelectrica is a member.

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

Group Revenues

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

The main revenue-generating activities for the Group are represented by the provision of the following services:

- Electricity transmission service;
- System Services
- Balancing Market Operator.

Electricity transmission service

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

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

The electricity transmission activity carried out by the Company consists in ensuring the technical conditions and maintaining the RET parameters at the time of introducing/taking over the energy in/from the RET.

System Services

The company has the task of permanently maintaining the operation of the national energy system in safe conditions and in compliance with the quality standards provided in the technical code of the electricity transmission network. For this purpose, the Company purchases system services from electricity producers .

The system services are purchased based on a competitive procedure regulated by ANRE, from the producers, at the request of the Company, in order to maintain the level of safety in operation of the SEN as well as the quality of the transported energy at the parameters required by the legislation in force. The company re-invoices the entire value of the system services purchased from the producers (except for the active energy component to cover losses in the RET) to the electricity suppliers licensed by ANRE who ultimately benefit from these services.

Balancing market operator

The mode of operation of the balancing market is stipulated in:

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

The Balancing Market allows the balance of production and consumption in real time, using resources offered in a competitive system. The balancing market also guarantees the full fulfilment of the contractual obligations assumed by the participants in the energy market.

The aim of the balancing market is to balance the production and consumption of electricity and to improve the accuracy of forecasts for this purpose of market participation. This is ensured by trading energy contracted in excess or not contracted, but consumed by market participants. Transelectrica, based on the procedures and regulations approved by ANRE, must approve all participants in the balancing market, collect, verify, process all bids and carry out settlement procedures.

The most important contribution to the functioning of the balancing market is the National Energy Dispatcher. The National Energy Dispatcher is responsible for supervising the proper and safe operation of

the SEN, ensuring at all times the balance of production and consumption.

The balancing market is used by Transelectrica to ensure real-time balancing of consumption with production, to guarantee the safe and stable operation of the SEN and for the administration of any restriction within the SEN.

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

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

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

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

At the same time, starting with October 2023, Transelectrica has the status of ODPE.

According to the provisions of the Order of the President of ANRE no. 127/08.12.2021, with subsequent amendments and completions, in order to ensure the functioning of the Electricity Market, TSO – respectively Transelectrica collects: the amounts due by the PRE (Parties Responsible for Balancing) for:

- the amount of the payment obligations of the PRE for the negative imbalances produced in the contract month, determined for that month according to the Information Note for the monthly settlement of the PRE imbalances or the Monthly Regularization Note, issued by ODDPRE (the operator for the settlement of the imbalances of the parties responsible for balancing);
- the amount of the payment obligations of the PRE for the provision of services corresponding to the value in the module for the positive imbalances produced in the contract month presented with the negative sign, in the Information Note for the monthly settlement of the PRE imbalances or in the Monthly Adjustment Note, issued by the TSO as ODDPRE;
- additional costs arising from balancing the system.

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

- the payment obligations of the ESF for the values of the quantities of balancing energy actually delivered at power reduction, within the framework of the definitive transactions for the delivery of balancing energy, established according to the Information Note for the monthly settlement on the EP or the Monthly Regularisation Note, issued by the TSO;
- the payment obligations of the ESF for the provision of services, corresponding to the value in the module for the amount of balancing energy actually delivered at the power increase, presented with a negative sign in the Information Note for the monthly settlement on the EP or in the Monthly Regularisation Note, issued by the TSO;

and pay

PRE for:

- the value of the collection rights for the positive imbalances produced in the contract month, determined for that month according to the Information Note for the monthly settlement of PRE imbalances or the Monthly Adjustment Note, issued by ODDPRE;
- the value of the collection rights for the provision of services corresponding to the value in the module for the negative imbalances produced in the contract month, presented with a negative sign, in the Information Note for the monthly settlement of PRE imbalances or in the Monthly Regularization Note, issued by the TSO as ODDPRE.
- additional revenues from system balancing

ESF (Balancing Service Providers) for:

- the collection rights of the ESF for the values of the quantities of balancing energy actually delivered at the increase in power, within the definitive transactions for the delivery of balancing energy, established according to the Information Note for the monthly settlement on the EP or the Monthly Regularization Note, issued by the TSO;
- the collection rights of the PPE for the values of the provision of services, corresponding to the value in the module for the quantity of balancing energy actually delivered at power reduction, presented with a negative sign, in the Information Note for the monthly settlement on the EP or in the Monthly Regularization Note, issued by the TSO.tag.

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

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

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

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

Process of compensating imbalances between all transmission system operators - IN Platform (Imbalance Netting)

As of 01.01.2021, the European platform, the International Grid Control Cooperation (IGCC) or the IN (Imbalance Netting) Platform for the process of compensating imbalances between all TSOs, which carries out the automatic frequency restoration process pursuant to Part IV of Regulation (EU) 2017/1485, implements, has come into operation.

We specify that the International Grid Control Cooperation (IGCC) is the project that was chosen in 2016 by ENTSO-E, to become the future European platform for the imbalance compensation process, as defined in Regulation (EU) no. Commission Regulation (EC) No 2017/1485 of 2 August 2017 establishing a guideline on the operation of the electricity transmission system (Art. 22). The IGCC initiative was started in 2010 by operators in Germany and subsequently extended to the level of the European central systems, representing a way of optimizing the secondary regulation of frequency – exchange power, by reducing the contrary actions of the regulators of the member operators, thus resulting in an optimized use of the system reserve "Frequency Restoration Reserve with automatic activation" of the RRF, at the overall level.

High-efficiency cogeneration

Starting with April 1, 2011, the Company is the administrator of the support scheme for the promotion of high-efficiency cogeneration. The objective of this support scheme is to promote high-efficiency cogeneration electricity production systems, with the advantage of producing energy with low polluting emissions. The aim is to facilitate the market access of high-efficiency cogeneration generation systems by granting a cogeneration bonus, given that the costs of electricity and heat production in cogeneration

plants are higher than the market prices of the two forms of energy. The scheme is intended for electricity and heat producers that own or commercially operate high-efficiency cogeneration plants, in order to stimulate new investments in cogeneration systems, as well as the refurbishment of existing plants. The effective implementation of the support scheme in Romania took place on 1 April 2011, after the adoption by the National Energy Authority (ANRE) of the regulatory framework necessary for the implementation of this scheme.

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

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

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

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

The scheme applies to producers of electricity and heat in cogeneration who have requested ANRE to grant the bonus for electricity produced in high-efficiency cogeneration, delivered in the SEN, for the cogeneration capacities included in the list of producers of electricity and heat in high-efficiency cogeneration until December 31, 2016. Producers benefit from the support scheme for a maximum period of 11 consecutive years, without exceeding 2023, the year at the end of which the scheme ends. The bonus, granted upon request, represents the amount (in lei) received by producers for each MWh produced in high-efficiency cogeneration and delivered to the SEN networks, is established annually by ANRE and is calculated as the difference between the total production costs of an equivalent cogeneration plant, with high-efficiency electricity production, and the revenues that can be obtained by it using the market price of electricity, respectively the unit cost of thermal energy resulting for an equivalent thermal power plant, the difference in relation to the electricity delivered in the SEN by the cogeneration plant.

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

In accordance with the provisions of art. 14 of the Government Decision no. 1215/2009, CNTEE Transelectrica SA is designated as responsible for the administration of the support scheme. The main duties incumbent on the Company as administrator of the support scheme are represented by the collection of the contribution from the suppliers of electricity consumers in a bank account distinct from the core activity and the payment of the bonus to the producers of electricity and heat in high-efficiency cogeneration; concluding contracts with suppliers for the collection of the contribution and with the producers who will be the beneficiaries of the scheme; verification of the amount of the contribution collected; issuing invoices to suppliers; the return of the contribution for high-efficiency cogeneration to suppliers who introduce electricity produced in high-efficiency cogeneration in Romania in other Member States of the European Union; monitoring and reporting to ANRE on the administration of the support scheme.

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

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

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

- ✓ In order to receive the bonus, producers are obliged not to register debts to the administrator of the support scheme or to have concluded agreements for the compensation of debts and receivables;
- ✓ the overcompensation is recovered according to national and European Union legislation in the field of state aid;
- ✓ the overcompensation/undue bonus left unpaid by the producers, for which all legal steps have been taken, will be recovered by including the amount in the contribution for cogeneration, according to the methodology issued by ANRE;
- ✓ ANRE decisions regarding the amount of overcompensation and/or undue bonus are binding on producers and are implemented for recovery by issuing a decision by the scheme administrator in accordance with the legislation in the field of state aid;
- ✓ The financial closure of the support scheme is made in the first half of 2024, according to the regulatory framework developed by ANRE.

On 25.03.2022, by Government Decision no. 409/2022, 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 demand for useful thermal energy. Thus, the period of application of the support scheme is extended until 2033, exclusively for producers who meet the conditions to access the extension of the support scheme.

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

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

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

At the same time, the financial closure of the support scheme is also extended and will be carried out in the first half of 2034.

Price coupling mechanism of electricity markets

The application of the price coupling mechanism started on November 19, 2014, the date on which the "4 Market Coupling (4MMC)" project, which provides for the union of the PZU (Next Day Market) electricity markets in Romania, Hungary, the Czech Republic and Slovakia, entered the operation phase.

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

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

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

On June 8, 2022, the Core FB MC (Core Flow-Based Market Coupling) project was put into operation, thus initiating the market coupling for the next day based on flows in the Core capacity calculation region.

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

The flow-based market coupling mechanism optimises the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

The Single Intraday Market Coupling Mechanism shall ensure the continuous harmonisation of bids to bid market participants in a bidding zone with bid bids within its own bidding zone and in any other bidding zone where cross-border capacity is available.

From the point of view of the internal regulatory framework, the roles and responsibilities of the operators involved in the Company and SC OPCOM SA, as well as the operations that are carried out within the coupling of the markets are provided in the Regulation on the organization and functioning of the market for the next day of electricity in compliance with the mechanism of coupling by price of the markets and the amendment of some normative acts regulating the market for the next day of electricity, approved by ANRE Order no. 82/2014 (Regulation).

The target model for the day-ahead market, based on the principle of Price Coupling of Regions (PCR), uses a unique bid matching and pricing algorithm.

In the event that coupling is not possible, the TSOs of those countries apply the fallback procedures, through which cross-border capacity is allocated.

Art. 138 of the Regulation provides that in the post-coupling process, the Transmission and System Operators (TSOs) have the role of transfer agents of the electricity resulting from the coupling algorithm as being transferred between two adjacent bidding zones.

Under the price coupling mechanism of the day-ahead markets, the electricity exchanges correlate, on the basis of auctions, the day-ahead electricity transactions, depending on the interconnection capacity made available by the TSO through which its implicit allocation is achieved.

The company, as a TSO, transfers electricity, both physically and commercially, to the neighboring TSOs (MAVIR – Hungary and IBEX – Bulgaria) and manages the revenues from congestion on the respective interconnection related to the PZU (art. 139 of ANRE Order no. 82/2014), and in relation to OPCOM SA it has the quality of Implicit Participant in the Day-Ahead Market and the Intraday Market (IP).

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

Thus, within the mechanism of coupling by price of the regional markets, CNTEE Transelectrica SA:

- fulfills the role of implicit participant on the PZU and IP and has the quality of transfer agent;
- provides the interconnection capacity for the physical delivery of electricity traded on the PZU and PI, respectively the transition of energy from one bidding zone to another through interconnection lines, being limited by their available transfer capacity.

The revenues recorded from congestion are divided monthly between the transmission and system operators, and the exchange rate differences are retained or ensured, as the case may be, by the TSOs.

At the level of the Company, it was approved that the transactions related to the price coupling mechanism of the regional markets will not influence the income and expense accounts, except for the revenues from the management of congestion on the interconnection lines, the revenues/expenses with exchange rate differences and the expenses with bank commissions resulting from the settlement of the transactions carried out by the Company as a transfer agent.

Energy delivered to support balancing neighbouring TSOs in emergency situations ("damage aid")

Taking into account the European directives and regulations, the national legislation and the ENTSO-E rules, one of the obligations of the Transmission System Operator (TSO) is to coordinate actions and help each other between neighboring TSOs in order to ensure electricity for the restoration of the normal functioning of the electricity systems in case of emergency situations.

Within the framework of the interconnected functioning of the European energy system, an operational means of mutual support of the TSO is constituted by the delivery of balancing energy to the interconnection systems (neighbours) in emergency situations defined by the lack of sufficient reserves and/or sources to cover consumption, according to the corresponding general provisions of the *Regulation (EU) 2017/1485 laying down a guideline on the operation of the electricity transmission system and Regulation (EU) 2017/2195 laying down guidelines on the balancing of the electricity system*.

The implementation of this possibility is based on the Synchronous Area Framework Agreement for Regional Group Continental Europe (SAFA), which details the provisions of the regulations, respectively paragraphs e), f) and g) and Art. B-12 of this operational agreement. Thus, the Company signed bilateral agreements for the purpose of providing emergency electricity with neighboring TSOs from Hungary, Bulgaria and Serbia during 2017 – 2019 and with neighboring TSOs from Ukraine and the Republic of Moldova, during 2022 (bilateral contracts with TSOs from Ukraine and the Republic of Moldova were signed as a matter of urgency, against the background of the conflict situation in Ukraine and the synchronization of the two systems at the Energy System of Continental Europe – 16.03.2022).

On the basis of bilateral contracts with neighbouring TSOs, electricity can be supplied to each other in the event of major damage to the production structure or to the transmission network (energy referred to in the contract as "Emergency Energy"), on commercial principles. Also, Emergency Energy from the Romanian energy system to the Ukrainian/Moldovan energy system can be granted to ensure (respect) the scheduled energy exchanges from the Ukraine – Republic of Moldova Control Block to the Continental Europe Synchronous Zone, in case of activation of the measures provided by the decision of the Continental Europe Regional Group (RG EC) within ENTSO-E aimed at reducing the physical flow of electricity or the cessation of the synchronous operation of the Ukraine – Republic of Moldova Control Bloc with the Synchronous Zone of Continental Europe.

2. Basics of preparation

Declaration of conformity

These consolidated financial statements ("financial statements") have been prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016.

This set of consolidated financial statements is not in accordance with IFRS-EU.

Starting with 2022, this set of annual financial statements of the Group includes the additional costs with the purchase of electricity made between January 1, 2022 and March 31, 2025, in order to cover the own technological consumption (CPT) for economic operators of energy transmission and distribution services, which are capitalized quarterly, the first asset (intangible assets) being recorded on September 30, 2022. Order of the Ministry of Public Finance (OMFP) no. 3900/2022 was issued and brings additional accounting specifications to the accounting regulations in force at OMFP no. 2844/2016, which provided for the financial-accounting treatment applied to the additional costs not recovered by tariff related to the distribution operators' own technological consumption (SO). The Group has consistently applied accounting policies for all periods presented in these consolidated financial statements.

The accounting records of the consolidated companies (Smart and Teletrans) are maintained in lei, in accordance with OMFP 1802. These accounts have been restated to reflect the differences between the accounts according to the Romanian accounting regulations (RCR) and those according to IFRS. Accordingly, the accounts have been adjusted, where necessary, to align these financial statements, in all material respects, with the IFRS adopted by the European Union.

The financial statements are available at the registered office of CNTEE Transelectrica SA located in Olteni Street no. 2-4 sector 3, Bucharest and on the Company's website.

The consolidated financial statements prepared as of and for the financial year ended December 31, 2025 were audited by the Company's financial auditor – Deloitte Audit SRL.

The financial year corresponds to the calendar year.

Business continuity

The present financial statements have been prepared on the basis of the principle of business continuity. In making this judgment, the management takes into account the current performance and access to financial resources given the strategic importance and position of natural monopoly of national interest held by the Company within the national energy system.

Basis of assessment

The consolidated financial statements are prepared at historical cost, with the exception of tangible assets, other than property, plant and equipment, which are measured at revalued value, while liabilities related to cash-settled share-based payment arrangements are measured at fair value.

Functional and presentation currency

The consolidated financial statements are presented in Romanian LEI ("LEI" or "RON") according to the

applicable accounting regulations, which is also the functional currency of the Group.

Using Estimates and Judgments

The preparation of consolidated financial statements in accordance with IFRS EU requires management to use professional reasoning, estimates and assumptions affecting the application of accounting policies, as well as the recognised value of assets, liabilities, income and expenses, fair value assumptions (see Note 4), commitments and contingent quotas (see Note 29), recognition of receivables (see Note 4), 14 - Advance income), adjustments for impairment of receivables (see Note 10) and obligations related to defined benefit plans (Note 16).

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

Information on assumptions and estimates involving material uncertainties is included in the following notes:

- Note 13 - the estimate of the Group's management that there is a reasonable assurance that the conditions attached to the non-reimbursable funds will be met and that the funds will be received;
- Note 16 - assessment of the obligations related to the defined benefit plans;
- Note 29 - recognition and evaluation of provisions, commitments and quotas; key assumptions regarding the probability and magnitude of an outflow of resources;

Information on the accounting policy rationale for service concession agreements is set out in the following paragraphs.

The Company (concessionaire) concluded in 2004 a concession contract for a period of 49 years, with the Ministry of Economy (grantor) according to which the Company has the right to use public assets that include the electricity transmission network and the land on which it is located, in exchange for the provision of the electricity transmission service (See Note 3 (b)).

Given that most of the Company's shares are owned by the State, the Company's management considers that it is a public company and therefore does not fall under the provisions of IFRIC 12 "Service Concession Agreements". Given that there is no other specific international financial reporting standard for service concession agreements, the Company considered whether it would still apply IFRIC 12, based on the hierarchy mentioned in SIC 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which provides that the provisions of other IFRS dealing with similar issues should first be considered.

In the analysis of the application of IFRIC 12, the Group considered whether the following characteristics of public-private service concession agreements are applicable to the concession contract concluded with ME, on the date on which IFRIC 12 is to be adopted:

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

From the analysis of the characteristics of the public-private service concession agreements, the following can be found:

- the services provided by the Group are regulated by ANRE, therefore the Grantor – the Ministry of Economy – does not control or regulate the type of services that the Group must provide;
- at the end of the contractual period, the residual interest in the infrastructure is approximately zero, most of the assets belonging to the public domain of the state being fully depreciated;
- there are currently no similar contracts, the Group having a monopoly position for the transmission of electricity.

The Company concluded that an accounting of the concession contract according to the provisions of IFRIC 12 will not reflect the economic substance of the transaction, because the Company pays an annual fee in the form of a royalty for the use of the assets mentioned in the concession contract in the amount of 4/1000 of the value of the gross revenues from electricity transmission and transit operations, through the national transport systems, which are publicly owned by the state, a tax that is significantly

lower than the depreciation that the Company would have recorded for those assets if the concession contract had not been signed.

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

3. Accounting policies

The accounting policies detailed below have been applied consistently for all periods presented in these consolidated financial statements and have been consistently applied by the Group entities.

(a) Basics of consolidation

(i) Financial investments

The group has control over an entity when it is exposed to, or is entitled to, variable gains resulting from its involvement in the entity and has the ability to affect those gains through its power over the entity. The financial statements of the companies included in the scope of consolidation are included in the consolidated financial statements from the moment the exercise of control begins until the moment it ceases.

As of the date of this report, Transelectrica is composed according to the articles of incorporation of six subsidiaries (of which three are deregistered with the Trade Register) Romanian legal entities, organized as joint stock companies. In two of the companies, Transelectrica (Teletrans and Smart) is the sole shareholder and majority shareholder in the case of OPCOM.

We specify that Transelectrica also held the status of sole shareholder in the companies ICEMENERG SA, ICEMENERG SERVICE and FORMENERG SA (the companies that are deregistered with the ONRC at the present date).

Among the Company's investments, Smart and Teletrans are included in the Group's financial consolidation perimeter through the global integration method.

The following were not taken into account when preparing the consolidated financial statements:

- investment in Formenerg because, according to the accounting legislation applicable in 2024, the impact of its activity was considered insignificant for the purpose of consolidation and during 2025 it merged with Teletrans,
- the investment in OPCOM because the administration is carried out according to the regulations established by ANRE, and Transelectrica does not exercise direct effective control over its decision-making mechanisms.

FORMENERG was a company whose main object of activity was the initial and continuous professional training, in all fields of activity, of the personnel with attributions in the energy field from all sectors of the national economy and other beneficiaries, as well as hotel services, rental services and event organization services.

FORMENERG SA was established as a result of the Decision number 33/19.11.2001 of the General Meeting of Shareholders – "Transelectrica" S.A., by outsourcing the activity of the Training and Improvement Branch of Personnel in the Energy Sector. FORMENERG shares were 100% owned by Transelectrica.

On September 23, 2025, the merger procedure was completed by absorption between the Company for Telecommunications Services and Information Technology in Electrical Transmission Networks – TELETRANS S.A., as the absorbing company, and the company "Formenerg" S.A., as the absorbed company. According to the applicable legislation, as of September 23, 2025, Teletrans has taken over all the rights and obligations assumed prior to the merger by Formenerg.

ICEMENERG SERVICE – SA was focused on the design, production and distribution of measuring, driving and control devices for the energy system, having ISO 9001 and IQ NET certification by SRAC ROMANIA, ANRE certified. On 09.06.2017, the Bucharest Tribunal, Civil Section VII, ordered the bankruptcy by simplified procedure of the debtor ICEMENERG SERVICE – SA, appointing Solvendi SPRL as provisional judicial 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 mobile and immovable, were capitalized en bloc, the buyer being Portland Trust Developements Five SRL.

In the file no. 18051/3/2017, according to the Bulletin of insolvency proceedings no. 9152/26.05.2022, the Bucharest Tribunal – Civil Section VII, by civil sentence 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 procedures, closed the insolvency procedure against the debtor "Icemenerg-Service" SA by deleting it from the Bucharest Trade Register. The company was not notified of the sentence until 31.12.2024.

OPCOM SA was established on the basis of GD no. 627/2000 on the reorganization of the National Electricity Company SA, as a company whose sole shareholder was Transelectrica.

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

The subscribed and paid-up share capital of OPCOM on 31.12.2025 is 31,366 thousand lei, Transelectrica participating at that date in the share capital as the majority shareholder. The shareholding structure is as follows:

- CNTEE Transelectrica SA – 97.84%
- The Romanian State through the General Secretariat of the Government – 2.16%.

OPCOM obeys ANRE rules and has an independent position on the electricity market. Transelectrica does not exercise direct effective control over the decision-making mechanisms of OPCOM, whose administration is conducted according to the regulations established by ANRE.

We specify below, the elements provided by the International Standard IFRS 10, necessary to be taken into account in establishing the exercise of control. Thus, according to IFRS 10 - an investor controls an entity if and only if the investor owns all of the following:

- A. Power over the entity in which it invests
- b. exposure or rights to variable returns from its involvement with the investee
- c. the ability to use its power over the invested entity to affect the amount of the investor's return.

The decision not to consolidate is based on the fact that the control criteria provided by IFRS 10 for the consolidation of an entity are not cumulatively met, namely:

- Existence of decision-making power over the respective entity: OPCOM carries out its activity within a framework strictly regulated by the relevant authorities, independent of Transelectrica's commercial policies. The operational and strategic decisions relevant to OPCOM are dictated by regulations specific to the energy sector and cannot be influenced at the discretion of the majority shareholder
- Exposure or entitlement to variable returns resulting from involvement in OPCOM: Transelectrica does not have the possibility to decide on the pricing policy or to directly influence the level of OPCOM's revenues and financial results
- Ability to use control to influence returns: Even though Transelectrica owns the majority of the shares, it does not have the actual ability to use this position to influence OPCOM's economic results, as these are mainly determined by the legislative framework and regulations imposed by the authorities.

At the same time, Transelectrica does not exercise significant influence over the activities of OPCOM, and the decision not to consolidate is supported by reasoning and assumptions that start from the purpose of establishing OPCOM, namely to ensure an organized framework for carrying out regulated electricity transactions, in the context of applying its specific legislation on independent activity, applying its specific legislation on electricity subject to ANRE rules and EU regulations.

(ii) Investments in associates and joint ventures

If Transelectrica holds, directly or indirectly, 20% or more of the voting rights of the entity in which it invested, it is assumed to exercise significant influence, but not control over financial and operational policies. The consolidated financial statements include the Group's share of the results of the associates

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

based on the equity method.

Investments in joint agreements, in which the Group exercises joint control with other entities, are initially recognised at cost and subsequently measured using the equity method. Profits or losses attributable to the Group are recognised in the consolidated financial statements when joint control begins and until such control ends.

The equity method is an accounting method whereby the investment is initially recognised at cost and subsequently adjusted for post-acquisition changes in the investor's share of the net assets of the entity in which it invested. The investor's profit or loss includes his share of the profit or loss of the entity in which he invested, and other elements of the comprehensive income include the investor's share of the other items of the comprehensive income of the entity in which he invested.

In March 2025, the Company participated with a 25% contribution to the share capital of Geco Power Company Green Energy Corridor Power Company - Limited Liability Company, according to the resolution of the Executive Board no. 7516/ 05.03.2025, in value is 3,750.

The total share capital of Geco is 15,000, divided into 1.5 million shares, distributed equally between the 4 entities participating in the capital. The shares, according to the articles of association, confer equal rights. Participation in profits and losses will be made proportionally to the shares.

The founding partners of the project company are CNTEE Transelectrica SA, JSC Georgian State Electrosystem, "AZERENERJI" Open Joint Stock Company and MVM Energy Private Limited Liability Company. The company ensures the implementation of the Green Energy Corridor project, a 1,200 km high-voltage submarine direct current cable, which will cross the Black Sea and connect Romania and Georgia, the connection being extended in Hungary and Azerbaijan, in accordance with the agreement between the Governments of the states of Azerbaijan, Georgia, Romania and Hungary.

The newly established company GECO enters the consolidation perimeter, being a jointly controlled company, of the Join Venture type. Thus, the consolidated financial statements include the Group's share of GECO's results based on the equity method. Since GECO's shares are acquired at the time of its establishment, no goodwill was recorded.

iii) Loss of control

Upon loss of control, the Group recognises the assets and liabilities of consolidated companies, non-controlling interests and relevant components of equity. Any resulting gain or loss is recognised in the profit and loss account. **Retained interest**, if any, shall be measured at fair value at the date of loss of control and shall subsequently be accounted for either by the equity method or as a financial asset in accordance with IFRS 9.'

iv) Transactions eliminated on consolidation

Balances and transactions within the Group, as well as any unrealized income or expense resulting from transactions within the Group, are eliminated at the time of preparation of the consolidated financial statements. Unrealized profits related to transactions with associates accounted for by the equity method are eliminated in exchange for the investment in the associate, to the extent of the Group's interest in associates. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there are no indications of depreciation in value.

(b) Tangible fixed assets

Own assets

Tangible assets, with the exception of tangible assets in progress, are presented at revalued value, less cumulative depreciation and amortization losses. Tangible assets in progress are presented at cost. The cost of self-built assets includes the cost of materials, direct salaries, the initial estimate, where applicable, of the costs of dismantling and moving elements and site restoration, and a share of indirect expenses.

Recognition

Tangible assets are initially valued at cost.

The cost includes expenses directly attributable to the acquisition of the asset. The cost of assets built by the entity includes:

- the cost of materials and direct personnel expenses;

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

- other costs directly attributable to bringing the assets to the required place and condition/stage of intended use; and
- capitalised borrowing costs.

For unused or used tangible assets, depreciation adjustments are recorded.

Government subsidies obtained for investments related to the public domain are recognized through the accounting account 1026 - Public patrimony, equity account, at the same time as the promotion of the Government Decision updating the public domain.

The fixed assets resulting from investments related to the public domain obtained from government subsidies are not depreciated, given their handover to the public patrimony. They do not meet the conditions for recognition of depreciation according to the provisions of the Concession Contract no. 1/2004, does not represent investments or expenses incurred by the Company.

In this regard, the Company annually submits to the Ministry of Economy, as grantor and holder of the right to manage the assets subject to the concession contract, the proposals for the transfer of the fixed assets to the public patrimony. According to the law, the necessity and opportunity of promoting the draft Government decision belong to the holder of the right of administration

Subsequent expenditure

The Group recognises in the carrying amount of a tangible asset the cost of replacing part of a fixed asset if at the time the cost occurs it is likely that future economic benefits related to the item will be generated to the Company and the cost of the item can be credibly assessed.

All other costs are recognised in the profit and loss account when they occur.

Depreciation

Tangible fixed assets are depreciated using the linear method, over their lifetimes, as follows:

	Normal service life (years)
Special buildings and installations	40 – 60
Machinery and equipment	15 – 40
Measuring and control devices	7 – 12
Vehicle	5 – 8
Other tangible assets	3 – 5

The land is not amortized. When the items of a property, plant and equipment have different lifetimes, they are recorded as separate items (major components) of an asset. Asset depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

Revaluation

The Company has chosen the revaluation model as its accounting policy and applies this policy to every entire class of tangible assets, except for advances and tangible assets in progress that are measured at historical cost.

The revaluation of tangible assets is carried out periodically at fair value (the term periodic refers to any reporting period at which Transelectrica's management identifies indications that the value of the assets is significantly different from the market value). In this regard, Transelectrica's management uses the services of authorized appraisers for such activity.

At the revaluation of a tangible asset, the accumulated depreciation at the revaluation date is removed from the gross carrying amount of the asset, the net value being recalculated at the revaluation value of the asset.

At the same time, when a tangible asset is revalued, the entire class to which that item belongs will be revalued.

When the carrying amount of an asset is increased as a result of a revaluation, the increase will be recognised in other comprehensive income and accumulated in equity under the revaluation surplus. However, the increase will be recognised in the profit or loss account to the extent that it offsets a decrease in revaluation of the same asset previously recognised in the profit or loss account.

If the carrying amount of an asset decreases as a result of a revaluation, the decrease will be recognised in the profit or loss account. However, the decrease will be recognised in other comprehensive income to the extent of any existing credit balance in the revaluation surplus of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity from the revaluation surplus.

Transelectrica's policy is that the revaluation reserve included in the equity related to an item of tangible fixed assets is transferred directly to the retained profit as the revalued tangible asset is depreciated and when the asset is derecognized. In this case, the amount of the surplus transferred would be the difference between the depreciation calculated on the basis of the revalued carrying amount of the asset and the depreciation amount calculated on the basis of the initial cost of the asset. Transfers from the revaluation surplus to retained earnings are not made by profit or loss. The effects in the calculation of corporate income tax, if any, resulting from the revaluation of tangible assets are recognised and presented in accordance with IAS 12 – Corporate Income Tax.

(c) Public heritage

In accordance with the provisions of Law no. 123/2012, as subsequently amended and supplemented, the electricity transmission network existing on the territory of Romania is the public property of the state for the assets leased to the National Electricity Transmission Company "Transelectrica" - S.A., as well as for the return goods according to the concession contract and the legal provisions.

Government Decision no. 627/2000 establishes in Annex no. 8 the inventory of the immovable property that makes up the public domain of the state, taken over by the Company starting with August 1, 2000 and which is inventoried and updated whenever necessary, by legislative act (GD).

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

Following the signing of the concession contract with the Ministry of Economy and Trade on behalf of the Romanian State, on June 29, 2004, the nature of the relationship between it and the Company changed and therefore, the Company proceeded to de-recognize the assets of the public patrimony, including the reserve of the public patrimony within the equity. Concession contract payments (royalty) are recognised as expenses in the profit and loss account by the Company during the year. Their accounting is carried out in accordance with IFRS 16, leases, which states that, in the situation where lease payments are variable and represent a percentage of the proceeds from sales, the lease liability and rights to use the assets for leases are zero.

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

Taking into account the provisions of the Government Decision no. 1009/2012 and Government Decision no. 984/2012 approving the amendment of Annex no. 7 to the Government Decision no. 1705/2006 for the approval of the centralized inventory of the assets in the public domain of the state concessioned to the Company, as a result of the inventory of the assets belonging to the public domain of the state in 2012 and the revaluation / evaluation of these assets, on 14.02.2013 the addendum no. 7 to the Concession Contract no. 1/29.06.2004.

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

By Government Decision no. 615 of 05 September 2019, published in the Official Gazette no. 730 bis 2019, the amendment and completion of Annex no. 7 to the Government Decision no. 1705/2006 for the approval of the centralized inventory of the assets in the public domain of the state, as a result of the inventory of the assets belonging to the public domain of the state in 2017 for the period 2013-2017, but so far the act no. 8 to the Concession Contract no. 1/2004.

The main terms of the concession contract are as follows:

- The object of the concession contract is the operation of the electricity transmission network – RET

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

and the land on which it is located;

- The Group has the right to use these assets for a period of 49 years, from 1 June 2004 to 31 May 2053;
- The annual fee paid by the Group in the form of a royalty for the use of these assets is established by the Ministry of Economy and represents 1/1000 of the revenues earned from the electricity transmission activity, for the quantity actually transported;
- The assets will come into the possession of the ME at the termination or expiry of the contract; the contract can be unilaterally terminated by any of the parties;
- The Group has the obligation to use the assets in accordance with the provisions of the concession contract and the operating license.

Starting with November 12, 2020, the Electricity Law no. 123/2012 was amended and supplemented, which in art. 19, para. (1[^]1) provides: *"The annual fee related to the concession in the field of electricity transmission is 0.4% of the value of the gross revenues earned from electricity transmission and transit operations and is paid by the transmission system operator as concessionaire"*.

The tax paid by the Company according to the concession contract and the Electricity Law no. 123/2012, as subsequently amended and supplemented, for the period 1 January – 31 December 2027 is significantly lower than the depreciation that the Group would have recorded for those assets if this contract had not existed. However, the Group did not record in the financial statements any amount relating to this possible benefit because it cannot estimate the amount paid for the use of these assets by a third party in an objectively priced transaction.

The investments made by the Company from its own sources of financing in the assets covered by the concession contract are capitalized and amortized over the remaining life of the assets. After the recovery of the amortization of the investment, they will be included in the inventory of assets in the public domain of the state, according to the legal provisions in force, based on a normative act adopted in this regard.

(d) Intangible assets

The intangible assets acquired by the Group are presented at cost less the cumulative depreciation and amortization losses of the intangible assets. Depreciation is recognised in the profit and loss statement on a straight-line basis over the estimated life of intangible assets. The majority of intangible assets recorded by the Group are represented by intangible assets in progress and dedicated software. They are amortized linearly over a period of 3 years.

Asset depreciation methods and useful lives are reviewed at each reporting date and adjusted where appropriate.

Subsequent expenditure

Subsequent expenses are capitalized only if it is likely to generate future economic benefits to the Group related to subsequent expenses.

(e) Foreign currency transactions

Transactions in foreign currency are expressed in LEI by applying the exchange rate from the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the end of the year are denominated in LEI at the exchange rate on that date. Gains and losses on exchange rate differences, realized or unrealized, are recorded in the profit and loss account for the respective financial year. The exchange rates on 31 December 2025 and 31 December 2024 are as follows:

Currency	December 31, 2025	December 31, 2024
1 EUR	5.0985	4.9741
1 USD	4.3417	4.7768

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

(f) Receivables

Trade receivables are initially recognised at the invoiced value and subsequently measured at amortised cost based on the effective interest method, less impairment adjustments.

Trade receivables impairment adjustments include adjustments for disputed receivables and adjustments

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

made by applying the simplified analysis model provided for in IFRS 9 Financial Instruments. The Company applies the simplified approach of IFRS 9 for measuring expected credit losses, which aims at a reduction of lifetime expected credit losses (ECL) for all trade receivables. To measure expected credit losses, trade receivables are grouped based on common credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of sales for a period of 36 months prior to December 31, 2025, and January 1, 2025, respectively, and on the corresponding historical credit losses recorded during this period. The historical loss rates are adjusted to reflect current and future information on macroeconomic factors affecting the ability of customers to settle receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, a debtor not committing to a repayment plan and not making contractual payments for a period of more than 180 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited to the same line item.

Adjustments for impairment of receivables – For trade receivables, a simplified approach is adopted in which impairment losses are recognized based on lifetime expected credit losses at each reporting date. If there is credit insurance or guarantees for outstanding balances, the calculation of expected credit losses is based on the insurer's probability of default for the insured portion of the outstanding balance and the amount remaining uncovered will have the counterparty's probability of default. For trade receivables, the simplified model regulated by IFRS 9, presented in Note 10, is used.

(g) Stocks

The stocks consist of:

- raw materials, materials, spare parts that do not meet the definition of tangible assets and other consumable materials to be used in the performance of the Group's core business;
- safety and intervention stocks intended to quickly remedy the malfunctions that occurred at the RET installations in order to ensure the safe operation of the SEN. These materials are recorded as stocks at the time of purchase and are recorded on expenses at the time of consumption or are capitalized, as the case may be.

Inventories are valued at the lesser of cost and net realizable value. The cost of consumed inventory is determined based on the FIFO method and includes purchase expenses. Net realisable value is the estimated sale price in the normal course of business minus the estimated costs of completion, if any, and the expenses incurred by the sale.

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

(h) Cash and cash equivalents

Cash and cash equivalents include cash, current accounts and bank deposits with an initial maturity of up to 3 months that are subject to a negligible risk of fair value change.

(i) Revaluation reserves

After recognition as an asset, a tangible asset whose fair value can be reliably measured is accounted for at a revalued value, which is its fair value at the date of the revaluation less any depreciation accrued thereafter and any accumulated impairment losses. Revaluations shall be made on a sufficiently regular basis to ensure that the carrying amount does not differ materially from what would have been determined by using fair value at the balance sheet date.

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

If the carrying amount of a property, plant and equipment is reduced as a result of a revaluation, this decrease is recognised in the profit or loss account. However, the reduction is made by reducing the revaluation reserves, to the extent that there is a credit balance in the revaluation surplus for that tangible asset.

The revaluation reserve included in equity related to a tangible fixed asset is transferred directly to the retained profit as the revalued tangible asset is depreciated and when the asset is derecognized.

Starting with 1 May 2009, the reserves from the revaluation of tangible assets, including land, carried out after 1 January 2004, which are deducted from the calculation of the taxable profit by means of tax depreciation or expenses relating to assets disposed of and/or scrapped, are taxed at the same time as the deduction of tax depreciation, respectively at the time of the decommissioning of these fixed assets, as the case may be.

The Group recorded deferred tax on reserve debt from the revaluation of fixed assets, including land, made after 1 January 2004.

The reserves from the revaluation of tangible assets, including land, carried out until December 31, 2003, as well as the portion of the revaluation made after January 1, 2004 and related to the period up to April 30, 2009, will not be taxed at the time of transfer to the retained earnings.

The Group did not record deferred tax on the reserve debt from the revaluation of fixed assets, including land, made until 31 December 2003.

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

(j) Impairment of non-financial assets

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

The recoverable value of a cash-generating asset or unit is the maximum of the use value and fair value minus costs of selling. When determining value of use, expected future cash flows are discounted to determine present value, using a pre-tax discount rate that reflects current market valuations of the value over time and asset-specific risks.

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

Impairment losses are recognised in the profit or loss account. Impairment losses recognised in relation to cash-generating units are allocated with priority to reduce the carrying amount of goodwill allocated to cash-generating units (group of cash-generating units), if applicable, and then pro rata to reduce the carrying amount of other assets within the cash-generating unit (group of cash-generating units).

A loss on impairment of goodwill is not resumed. For the other assets, the impairment loss is carried over only to the extent that the carrying amount of the asset does not exceed the carrying amount that could have been determined, net of depreciation, if no impairment had been recognized.

(k) Share capital

Ordinary shares are classified as part of equity. Additional costs directly attributable to the issuance of ordinary shares and stock options are recognised as a reduction in equity to net of tax effects.

(l) Dividend

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

(m) Trade and other liabilities

Debts to suppliers and other debts are recorded at amortized cost and include the value of invoices issued by suppliers of products, works performed and services rendered.

(n) Interest-bearing loans

Loans are initially recognised at fair value, net of transaction costs. After the initial recognition, the loans are recorded at the amortized cost, any difference between the cost and the repayment amount being recognized in the profit and loss account during the period of the loan based on an effective interest rate.

(o) Financial instruments

IFRS Standard 9 "Financial Instruments" is based on the theory that financial assets must be classified and measured at fair value, with changes in fair value recognised in the statement of profit and loss at the time they occur ("FVPL"), unless restrictive criteria are met for the classification and measurement of the asset at amortised cost or fair value through other components of comprehensive income ("FVOCI").

i) Recognition

The Group recognises a financial asset on the balance sheet when and only when it becomes part of the contractual provisions of the instrument. Financial assets and liabilities are measured at the time of initial recognition at fair value.

ii) Classification of financial assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value by other comprehensive income or fair value by profit or loss on the basis of the following criteria:

- Transelectrica's business model for the management of financial assets and
- characteristics of the contractual cash flow of the financial asset.

From the point of view of the measurement of a **financial asset** after initial recognition, IFRS 9 "Financial Instruments: Recognition and Measurement", classifies financial assets into the following categories:

- **Amortised cost**

A financial asset is valued at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and
- The contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of principal and interest on the amount of principal due.

As of December 31, the Group holds financial assets valued at amortised cost.

- **Fair value through other comprehensive income**

A financial asset is measured at fair value by other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to achieve the collection of contractual cash flows and the sale of financial assets, and
- The contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of principal and interest on the amount of principal due.

- **Fair value through profit and loss account**

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or fair value through other comprehensive income.

iii) Rating

When a financial asset is initially recognised, the Group must measure it at its fair value plus, in the case of a financial asset that is not at fair value through the profit or loss account, the costs of the transaction that can be directly attributed to the acquisition or issuance of the financial asset.

iv) Identification and valuation of impairment for financial assets

The Group applies the simplified method of measuring expected credit losses, provided by IFRS 9, for the measurement of trade receivables. IFRS 9 allows entities to apply a "simplified approach" to trade receivables, contractual assets and leasing receivables. The simplified approach allows entities to recognise the expected losses over the life of all these assets without having to identify significant increases in credit risk.

v) Derecognition

A financial asset is derecognised when:

- the contractual rights to the cash flows arising from the financial assets have expired;
- the group retains contractual rights to receive cash flows from the financial asset, but assumes a contractual obligation to pay them to a third party without significant delay, under an intermediation arrangement; or

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

- The group has transferred its rights to receive cash flows, and either a) has substantially transferred all the risks and rewards associated with the financial asset, or b) has not substantially transferred all the risks and rewards associated with the financial asset, but has transferred control over the financial asset.

The Group shall recognise a financial liability (or part of a financial liability) in the statement of financial position when the obligation specified in the contract is extinguished, cancelled or expires.

vi) Compensation

The Group offsets a financial asset and a financial liability, and the net amount is presented in the statement of financial position when:

- it currently has the legal right to offset the recognised values; and
- intends either to settle them on a net basis or to capitalise on the asset and settle the debt simultaneously.

The clearing of a recognised financial asset and a recognised financial liability, as well as the presentation of net worth, differs from the derecognition of a financial asset or financial liability.

(p) Corporate income tax

The corporate income tax expense includes the current tax, the deferred tax and the global minimum tax – Pillar Two. Current tax, deferred tax and global minimum tax are recognised in the profit or loss account unless they relate to business combinations or items recognised directly in equity or other comprehensive income.

(i) Current tax

Current tax is the tax that is expected to be paid or received on the tax profit or loss realized in the current year, using tax rates adopted or largely adopted at the reporting date, as well as any adjustment to corporate income tax obligations related to previous years.

(ii) Deferred tax

The deferred tax is recognized for the temporary differences that occur between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for the calculation of the tax.

A deferred tax liability must be recognised for all taxable temporary differences, unless the deferred debt arises from:

- initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction that:
 - it is not a combination of undertakings;
 - at the time of the transaction, it does not affect either the accounting profit or the taxable profit (tax loss);
 - at the time of the transaction, does not give rise to equal temporary taxable and deductible differences.

An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, as well as interests in common arrangements, unless both of the following conditions are met:

- the parent company, investor, joint venture or joint venture is able to control the timing of the reversal of the temporary difference; and
- It is likely that the temporary difference will not reverse in the foreseeable future.

A deferred tax claim must be recognised for all deductible temporary differences to the extent that there is likely to be a taxable profit available for which the deductible temporary difference can be used, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- it is not a combination of undertakings;
- at the time of the transaction, it does not affect either the accounting profit or the taxable profit (tax loss); and
- at the time of the transaction, does not give rise to equal temporary taxable and deductible differences.

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

An entity shall recognise a deferred tax claim for all deductible temporary differences arising from investments in subsidiaries, branches and associates, as well as from interests in joint arrangements, to the extent and only to the extent that it is likely that:

- the temporary difference to reverse in the foreseeable future; and
- The taxable profit will be available for which the temporary difference can be used.

The assessment of deferred tax reflects the tax consequence that would arise from the way in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The deferred tax is calculated on the basis of the tax rates that are expected to be applicable to the temporary differences at their resumption, based on the legislation adopted or largely adopted at the reporting date.

Deferred tax liabilities are represented by corporate income tax amounts payable in future accounting periods in respect of taxable temporary differences.

The deferred tax receivables are represented by the corporate income tax amounts, recoverable in future periods, in respect of:

- deductible temporary differences;
- carry-forward of unused tax losses; and
- carry-over of unused tax credits.

They are reviewed on each reporting date and are diminished to the extent that it is no longer likely that the related tax benefit will be achieved.

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

The Group determines deferred tax assets and liabilities using the statement of financial position liability method in accordance with IAS 12 for all temporary differences between the accounting and tax bases of assets and liabilities recognised in Transelectrica's IFRS financial statements and tax statements. In addition, the tax advantage from existing carry-forward losses that are likely to be realised is also included in the calculation.

(iii) Global minimum tax – Pillar Two

The global minimum tax is an additional tax calculated at Group level within a jurisdiction for which an effective tax rate below 15% is obtained (the "minimum tax rate") applied to the qualified net profit. It is calculated in accordance with the provisions of Law 431/2023, *on ensuring a global minimum level of taxation of multinational enterprise groups and large national groups*, for which additional guidance provided by the Organization for Economic Co-operation and Development (OECD) was taken into account, as a source of illustration or interpretation, in order to ensure the consistent application of the legislation in force.

(iv) Exposure to corporate income tax

The Group considers the impact of the tax position to be uncertain and whether additional taxes and interest may be due when determining the amount of current and deferred tax. This assessment is based on estimates and assumptions and may involve a series of professional reasoning regarding future events. New information may become available which may cause the Group to change its business reasoning with regard to the adequacy of existing tax liabilities; such changes in tax liabilities may have an impact on corporate income tax expenditure during the period in which such determination occurs.

(q) Employee benefits

Other long-term employee benefits

The Group's net obligation in terms of long-term benefits granted to employees, other than pension plans, is the value of future benefits that employees have earned in exchange for services rendered in the current and previous periods. This benefit is discounted to determine its fair value, and the fair value of any related assets is deducted. These benefits are estimated using the projected credit factor method. Any actuarial gains or losses are recognised in other comprehensive income during the period in which

they occur, with the exception of jubilee bonuses which are recognised in the profit and loss account.

Short-term employee benefits

Short-term benefit obligations are valued on an outdated basis and are recognised as expenses as services are provided. A provision is recognised at the estimated amount to be paid for short-term benefits in the form of bonuses or employee profit sharing, only if the Group has a present, legal or implied obligation to pay this amount for past services rendered by employees, and this obligation can be estimated. The benefits of short-term employees are mainly represented by salaries.

In the normal course of business, the Group makes payments on behalf of its employees to the pension fund. All the Group's employees are members of the pension plan of the Romanian State. These payments are passed on at expense as the services are provided by the employees.

(r) Revenue

Income is recognised when the Group fulfils a performance obligation by transferring a good or service provided to a customer. An asset is transferred when (or as) the customer gains control of that asset.

Transelectrica accounts for a contract with a customer only if the following conditions are met:

- the parties have approved the contract and agree to honour their obligations,
- Transelectrica can identify the rights of each party with respect to the goods and services transferred,
- Transelectrica can identify the payment terms for the transferred goods and services,
- the contract has commercial substance (i.e. it changes the risk, the time of occurrence and the sum of the entity's future cash flows
- the entity is likely to collect the consideration to which it is entitled in exchange for the goods and services transferred to the customer. This involves assessing the client's ability and intention to pay the consideration when it is due.

Revenues consist mainly of revenues from the transmission service, the system service and the balancing market calculated according to the volume of energy delivered to consumers. The tariffs for transport and system services are regulated by ANRE. Revenues also include the value of transactions carried out on the balancing market, as described in Note 1.

The Romanian state, through ANRE, regulates the tariffs charged by the Group for the electricity transmission service and for the system operator service. The Romanian state fulfills several roles besides that of majority shareholder and, as a result, could have more comprehensive objectives and goals than an investor whose main interest is the return on investment.

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

Also, the Company and OPCOM SA are involved in the price coupling mechanism of the regional markets based on ANRE Order no. 82/2014 (see Note 1).

Thus, within the mechanism of coupling by price of the regional markets, CNTEE Transelectrica SA:

- fulfills the role of implicit participant on the PZU and IP and has the quality of transfer agent;
- provides the interconnection capacity for the physical delivery of electricity traded on the PZU and PI, respectively the transition of energy from one bidding zone to another through interconnection lines, being limited by their available transfer capacity.

Connection tariffs

IFRS 15 "Revenue from customer contracts" applies to customer contracts in which the Company collects cash (connection tariff) from a customer for the execution of new works (connection to a place of production or consumption) or to modify existing connection installations.

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

Given that the connection of a customer to the electricity transmission network is not a separate component of the connection contract, the connection tariffs are recognised in the profit or loss account systematically over the useful life of the asset.

The Company recognizes the cash available received from the connection tariff in the credit of the "Advance income" account within the statement of the financial position and subsequently recognizes the income in the category "Other income" within the profit and loss account, systematically over the useful life of the asset.

(s) Net costs of financing

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

Interest income is recognised in the profit and loss account for the year in which it occurs, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date on which the Group's right to receive dividends is recognised.

(t) Subsidies

Asset subsidies are initially recognised as 'forward income' at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the subsidies, and then the subsidies are recognised in the statement of income and loss as other operating income over the useful life of the asset to which they relate. Non-reimbursable funds are recognized as assets when there is reasonable assurance that they will be received by meeting the related conditions.

(u) Supplies

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

- The group has a current obligation (legal or implied) as a result of a past event;
- it is likely (i.e. more likely than unlikely) that an outflow of resources representing economic benefits will be necessary for the settlement of the obligation;
- when a correct estimate can be made regarding the amount of the obligation.

Where the effect of the value of money over time is significant, the value of a provision is the present value of the expenses that are expected to be necessary for the settlement of the obligation.

(v) Earnings per share

In accordance with SIC 33 "Earnings per share", earnings per share are calculated by dividing the profit or loss attributed to the Group's shareholders by the weighted average of ordinary shares for the period.

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

Dilution is a reduction in earnings per share or an increase in losses per share resulting on the assumption that convertible instruments are converted, or as ordinary shares are issued after certain specified conditions are met. The purpose of diluted earnings per share is similar to that of basic earnings per share, i.e., to assess the interest of each ordinary share in an entity's performance.

(w) Contingent

Contingent liabilities are not recognised in the attached financial statements. They are presented where the outflow of resources incorporating economic benefits is possible and not likely.

A contingent asset is not recognised in the annexed financial statements, but is presented when an inflow of economic benefits is likely.

(x) Operational segments

An operational segment is a component of an entity:

- who engages in activities from which it can derive income and from which it can incur expenses (including income and expenses related to transactions with other components of the same entity);
- whose results are periodically reviewed by the entity's main decision-maker in order to make decisions on the allocation of resources per segment and to evaluate its performance; and
- for which distinct financial information is available.

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

The group operates in several locations in Romania, which are engaged in both transport and dispatch activities. The Group's management considers the operations in their entirety as a "single segment".

The operating segments are presented in a manner consistent with the internal reporting provided by the entity's main operational decision-maker in order to make decisions on the allocation of resources by segments and to evaluate its performance.

(y) Warranties

Guarantees are recognised as financial fixed assets following maturity/repayment at a date after one year.

(z) Leasing

The group, as lessee, recognises a right-of-use asset and a corresponding lease liability for leasing contracts, with the permitted exemptions. A leasing contract is the acquisition of a right to use an underlying asset, with the purchase price paid in installments. The lessee acknowledges the right-of-use asset and the initial lease debt on the commencement date.

Exceptions to the application of IFRS 16 may be:

- leasing contracts with a lease term of 12 months or less and which do not contain purchase options, and
- leasing contracts where the underlying asset has a low value.

At the commencement date, the lease liability shall be measured at an amount equal to the present value of the lease payments over the term of the lease that are not paid on that date.

The discount rate that the lessee uses is the default interest rate in the lease agreement, if this rate can be easily determined. The lessee uses the marginal loan rate if the default interest rate in the lease cannot be easily determined.

The right to use the asset is subsequently measured at cost, less accumulated depreciation and any accumulated impairment losses.

The Group applies the exemption from the recognition of short-term leases to its short-term and low-value leasing contracts. The related lease payments are recognised as expenses on a straight-line basis over the term of the lease. Thus, contracts that do not meet the conditions for recognition in accordance with IFRS 16 are recorded directly in the profit and loss account as royalty expenses, management locations and rents.

(aa) Financial assets

The Company's investments in joint ventures and associated entities are presented in the balance sheet at their initial cost, less accumulated impairment losses. The remaining financial investments in entities not included in the consolidation scope, other than those mentioned above, are presented at fair value.

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

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

This year, the Group has applied amendments to IAS 21 "Lack of convertibility" issued by the International Accounting Standards Board (IASB) that are mandatory for reporting periods on or after January 1, 2025. The adoption of these amendments did not have a significant impact on the information to be provided or on the amounts reported in these financial statements

- The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) that have not yet entered into force for the annual financial reporting period ended December 31, 2025 and have not had an impact or been applied in the preparation of these financial statements:

At the date of approval of these financial statements, the Group has not applied the following amended IFRS accounting standards that have been issued by the IASB and adopted by the EU, but have not yet entered into force.

CNTEE TRANSELECTRICA SA OMFP 2844/2016

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

Accounting Standard	Title	Effective date set by the IASB
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and valuation of financial instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts that refer to electricity dependent on natural conditions	January 1, 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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

Currently, IFRS as adopted by the EU does not differ significantly from the IFRS accounting standards adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which were not adopted by the EU at the date of authorisation of these financial statements:

Accounting Standard	Title	Status of EU adoption
IFRS 18	Disclosures and Disclosures in Financial Statements (IASB Effective Date: January 1, 2027)	Not yet adopted by the EU
IFRS 19 as amended	Non-public liability subsidiaries: information to be provided (effective date set by the IASB: January 1, 2027)	Not yet adopted by the EU
Amendments to IAS 21	Transition to a hyperinflationary presentation currency (effective date set by the IASB: January 1, 2027)	Not yet adopted by the EU
IFRS 14	Deferral accounts for regulated activities (effective date set by the IASB: 1 January 2016)	The European Commission has decided not to start the approval process of this interim standard and to wait for the final standard.
Amendments to IFRS 10 and IAS 28	Sale of or contribution of assets between an investor and its associates or joint ventures and subsequent amendments (effective date has been deferred indefinitely by the IASB, but early application permitted)	The approval process was postponed indefinitely until the completion of the research project on the equivalence method.

4. Determination of fair value

Certain Group accounting policies and reporting requirements require the determination of fair value for both financial and non-financial assets and liabilities. In determining the fair values of assets and liabilities, the Group uses observable market values as far as possible. Fair values are classified into several levels in the hierarchy of fair values based on the input data used in the valuation techniques, as follows:

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

Fair values have been determined for the purpose of evaluating and/or presenting information using the methods described below:

(i) Tangible fixed assets

The fair value of tangible assets is mainly based on the revaluation model taking into account the specificities of the property, plant and equipment held by the Group, with the exception of assets in progress, which are accounted for in accordance with the cost-based model.

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

CNTEE TRANSELECTRICA SA OMFP 2844/2016

Explanatory notes to the financial statements for the financial year ended December 31, 2025

*(All amounts are expressed in thousands of LEI, unless otherwise indicated)***5. Tangible fixed assets**

Between January 1, 2024 and December 31, 2025, tangible assets evolved as follows:

	Land and land planning	Buildings and special installations	Plant and equipment	Metering and control devices	Vehicles	Other tangible fixed assets	Tangible assets in progress	Total
COST								
Balance as of January 1, 2024	171,005	1,945,054	2,267,849	144,137	25,065	280,939	1,001,422	5,835,471
Inputs	-	3,092	3,732	8,878	5,938	222	638,578	660,440
Transfers from tangible assets in progress	524	428,577	125,269	101,543	2,177	554	(658,644)	-
Reclassifications between fixed assets accounts	-	-	-	-	-	-	2,802	2,802
Outputs	(32)	(462)	(5,383)	(28)	(145)	(7,569)	(154)	(13,774)
Balance as of December 31, 2024	171,497	2,376,261	2,391,467	254,531	33,034	274,146	984,003	6,484,939
Balance on January 1, 2025	171,497	2,376,261	2,391,467	254,531	33,034	274,146	984,003	6,484,939
Inputs	10,329	8,273	4,242	55,555	34,828	88	701,076	814,391
Transfers from tangible assets in progress	7	193,105	251,667	72,923	343	1,233	(519,278)	-
Reclassifications between fixed assets accounts	-	200	(200)	-	(3,501)	-	-	(3,501)
Outputs	-	(9,239)	(3,233)	(7,575)	(354)	(2,320)	(11,648)	(34,370)
Balance as of December 31, 2025	181,833	2,568,600	2,643,942	375,433	64,351	273,147	1,154,154	7,261,460
Balance as of January 1, 2024	138	-	-	-	-	265,591	-	265,729
Depreciation expense	-	95,140	154,769	41,374	4,281	4,861	-	300,425
Cumulative depreciation of outputs	-	(387)	(31)	(18)	(73)	(7,569)	-	(8,078)
Balance as of December 31, 2024	138	94,753	154,738	41,356	4,208	262,884	-	558,077
Balance on January 1, 2025	138	94,753	154,738	41,356	4,208	262,884	-	558,077
Depreciation expense	-	87,782	156,393	45,558	5,543	3,500	-	298,776
Cumulative depreciation of outputs	-	(3,425)	(1,131)	(7,476)	(60)	(2,320)	-	(14,414)
Balance as of December 31, 2025	138	179,109	309,999	79,438	9,691	264,064	-	842,439

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

CNTEE TRANSELECTRICA SA OMFP 2844/2016

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	Land and land planning	Buildings and special installations	Plant and equipment	Metering and control devices	Vehicles	Other tangible fixed assets	Tangible assets in progress	Total
Balance on January 1, 2024								
Expense with impairment adjustments	-	-	-	-	-	-	11,599	11,598
Balance as of December 31, 2024	-	-	-	-	-	-	9	9
	-	-	-	-	-	-	11,608	11,608
Balance as of January 1, 2025	-	-	-	-	-	-	11,608	11,608
Reversal of depreciation adjustments	-	-	-	-	-	-	(7,227)	(7,227)
Balance as of December 31, 2025	-	-	-	-	-	-	4,381	4,381
Net book value								
Balance as of December 31, 2024	171,359	2,281,508	2,236,729	213,174	28,826	11,262	972,395	5,915,254
Balance as of December 31, 2025	181,695	2,389,491	2,333,943	295,996	54,660	9,083	1,149,772	6,414,639

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

The total net value of tangible assets increased as of December 31, 2025 compared to December 31, 2024 amid the increase in the amounts of tangible assets in progress represented, mainly, by the implementation of investment works in high-voltage power stations and lines, modernizations of electricity transformer stations, line relocations, connections to the electricity grid as follows:

- Installation of two modern means of reactive power compensation in the 400/220/110/20kV Sibiu Sud and 400/220/110/20 kV Bradu – 134,247 substations;
- Refurbishment of the 400/110 kV Pelicanu transformer substation – 57,608;
- Increasing the degree of safety in the supply of consumers in the southern area of Bucharest, connected to the 400/220/110 kV Bucharest South Substation – 55,208;
- 400 kV D.C. OLA Gutinaș – Smârdan – 44,448;
- Refurbishment of the 400 kV Isaccea Substation - Stage II - 34,302;
- Transformer replacement no. 4 - 250 MVA, 400/110 kV in the 400/110 kV Drăgănești-Olt Substation - 22,900;
- Optimization of the operation of the existing 400 kV OHL in the SEN, used in interconnection and for power evacuation from the Cernavoda Nuclear Power Plant and the renewable energy plants in Dobrogea, through the installation of on-line systems (SMART GRID type) – 18,078;

In 2025, the largest **transfers from tangible assets in progress to tangible assets**, in the amount of **519,278**, are mainly represented by the commissioning of investment objectives, modernizations of electricity transformer stations, line relocations, connections to the electricity grid, thus the most significant of which we list the most significant:

- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400 kV s.c. OHL axis. Iron Gates - (Anina) - Resita - 176,795;
- Increasing the operational safety of the Argeș-Vâlcea network area, the construction of the 400 kV Arefu Substation and the installation of a 400 MVA, 400/220 kV AT – 82,814;
- Increasing the degree of safety in the supply of consumers in the southern area of Bucharest, connected to the 400/220/110 kV Bucharest South Substation – 70,395;
- OHL 220 kV double circuit Ostrovu Mare - RET Stage I + Stage II (H.CA no. 17/2007) – 50,083;
- 400 kV d.c. Gutinaș - Smârdan OHL (Phase I and II of financing) - 26,642;
- Optimization of the operation of the existing 400 kV OHL in the SEN, used in interconnection and for power evacuation from the Cernavoda nuclear power plant and the renewable energy plants in Dobrogea, by installing on-line systems (SMART GRID type) – 20,576;
- Relocation/protection of the 400 kV-400 kV high-voltage network s.c Urechești-Domnești and 400 kV s.c Brazi Vest-Domnești OHL at the intersection with the Bucharest Ring Highway - km 0+000, km 100+900, Lot 3, Sector 1, km 85+300, km 100+765-South Belt, Sector 2, km:0+00 – 15,326.

In 2025, there were exits from tangible assets in execution through the recognition of the Company's operating costs in the amount of 9,949, as follows:

- Connection to the RET of CEE 136 MW Platonești, Bucharest county. Ialomita, by building a 110 kV cell in the 400/110 kV Gura Ialomitei substation, in the amount of 2,889 lei;
- Integrated security system at power stations, stage III (H.CA no. 2/2008), in the amount of 2,782 lei;
- Integrated security system at power stations, stage IV, in the amount of 4,278 lei.

The balance **of tangible assets under execution** as of December 31, 2025, in the amount of **1,064,066**, is represented by ongoing projects, the most significant being listed below:

- 400 kV D.C. OLA Gutinaș – Smârdan – 318,644;
- Installation of two modern means of reactive power compensation in the 400/220/110/20kV Sibiu Sud and Bradu – 166,604 substations;
- Refurbishment of the 400/110 kV Pelicanu transformer substation – 97,429;
- Refurbishment of the 400 kV Isaccea substation - Stage II - 68,865;
- Refurbishment of the 400/110/20 kV Smârdan Substation – 49,537;
- Connection to the RET of CEE 300 MW Ivești, CEE 88 MW Fălciu 1 and CEE 18 MW Fălciu 2 through

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

the new Substation (400)/220/110 kV Banca – 46,885;

- 400 kV Stâlpu substation – 44,306;
- Refurbishment of the 110 kV Medgidia Sud Substation – 28,408;
- Transformer replacement no. 4 - 250 MVA, 400/110 kV in the 400/110 kV Drăgănești-Olt Substation - 22,922;
- Modernization of the 220/110 kV Calafat Substation – 16,844;
- Switching to the 400 kV voltage of the Iron Gates - Resita - Timișoara - Săcălaz - Arad axis, stage II, 400 kV d.c. Resita - Timișoara - Săcălaz - 16,246;
- Switching to 400 kV of the 220 kV OHL Brazi West - Teleajen - Stâlpu, including acquisition of HV 400 MVA 400/220/20 kV, extension works of the related 400 kV and 220 kV substations, in the 400/220/110 kV Brazi West Station – 15,701;
- Refurbishment of the 110 kV Timișoara Substation and the transition to 400 kV voltage of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, stage II: 400 kV Timișoara Substation – 15,329;
- Power Quality Monitoring System (PQMS) – 13,093.

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

The assets belonging to the public domain of the state and leased to the Company representing completed tangible assets, made from its own sources of financing, will be included in the inventory of assets in the public domain of the state after the recovery of its own sources of financing, at the time of approval, by Government Decision, of the inventory of assets belonging to the public domain of the state.

As of December 31, 2025 and December 31, 2024, the Company has no pledged or mortgaged assets.

Fair value of tangible assets

The Company's tangible assets, other than outstanding tangible assets, are presented in the financial statements at revalued value, representing fair value at the valuation date, less accumulated depreciation and amortization adjustments.

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

This method is recommended for properties, when there is sufficient and reliable data on transactions or offers for sale with similar properties in the area. The analysis of the prices at which the transactions were carried out or the prices asked or offered for comparable properties is followed by corrections of their prices, in order to quantify the differences between the prices paid, asked or offered, caused by the differences between the specific characteristics of each individual property, called elements of comparison.

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

This method assumes that the maximum value of an asset to an informed buyer is the amount that is needed to buy or build a new asset with equivalent utility. When the asset is not new, all forms of impairment attributable to it must be deducted from the gross current cost until the valuation date.

Information on the fair value hierarchy as of December 31, 2025 and December 31, 2024:

	Level 1	Level 2	Level 3	Fair value as of December 31, 2025
Land and land planning	-	-	181,695	181,695
Buildings and special installations	-	-	2,389,491	2,389,491
Plant and equipment	-	-	2,333,943	2,333,943
Metering and control devices	-	-	295,996	295,996
Vehicles	-	-	54,660	54,660
Other tangible fixed assets	-	-	9,083	9,083
Total	-	-	5,264,867	5,264,867

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	Level 1	Level 2	Level 3	Fair value as of December 31, 2024
Land and land planning	-	-	171,359	171,359
Buildings and special installations	-	-	2,281,508	2,281,508
Plant and equipment	-	-	2,236,729	2,236,729
Metering and control devices	-	-	213,174	213,174
Vehicles	-	-	28,826	28,826
Other tangible fixed assets	-	-	11,262	11,262
Total	-	-	4,942,859	4,942,859

The cost value of tangible fixed assets is represented by their fair value from which the value of the revaluation reserve as at December 31, 2025 and December 31, 2024 was deducted, as follows:

	Cost value 31 December 2025	Cost value December 31, 2024
Land and land planning	119,536	109,692
Buildings and special installations	1,948,997	2,129,716
Plant and equipment	1,718,234	1,459,397
Metering and control devices	278,742	252,472
Vehicles	50,297	21,631
Other tangible fixed assets	9,083	7,056
TOTAL	4,124,889	3,979,964

6. Fixed assets related to rights of use of leased assets

As of December 31, 2025 and December 31, 2024, the fixed assets related to the rights of use of leased assets are presented as follows:

	Fixed assets related to rights of use of leased assets
Cost	
Balance on January 1, 2024	43,224
Inputs	2,609
Outputs	(2,362)
Balance as of December 31, 2024	43,470
Balance as of January 1, 2025	43,470
Inputs	8,365
Outputs	-
Balance as of December 31, 2025	51,835
Cumulative depreciation	
Balance as of January 1, 2024	28,176
Depreciation expense	8,719
Cumulative depreciation of outputs	(1,575)
Balance as of December 31, 2024	35,320
Balance on January 1, 2025	35,320
Depreciation expense	9,557
Cumulative depreciation of outputs	-
Balance as of December 31, 2025	44,877
Depreciation adjustments	
Balance as of January 1, 2024	-
Expense with impairment adjustments	-
Balance as of December 31, 2024	-
Depreciation adjustments	
Balance on January 1, 2025	-

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	Fixed assets related to rights of use of leased assets
Expense with impairment adjustments	-
Balance as of December 31, 2025	-
NET BOOK VALUE	
Balance as of December 31, 2024	8,150
Balance as of December 31, 2025	6,958

The fixed assets related to the rights to use the leased assets - buildings represent the right to use the spaces leased by the Company in the Platinum office building, according to the provisions of IFRS 16 – Leasing Contracts.

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

On 05.05.2025, the Addendum no. 2 to contract C232/2020, extending the duration by 6 months, under the same conditions until 01.04.2026, with the amount of 900,000 euros (excluding VAT). Thus, the total value of the contract, for the area of 9,000 sqm, 35 parking spaces and a duration of 66 months, is 9,900,000 euros (excluding VAT).

As of December 31, 2025, the book value of the right to use the spaces leased by the Company in the Platinum office building is in the amount of RON 2,149.

For this contract, the Company pays a monthly amount of 16.67 euro/sqm (excluding VAT) for the rental of office spaces, resulting in an annual value of approx. 1.8 thousand. euro.

Smart SA had concluded a lease agreement consisting of the lease of an office building, with an area of 449.75 sqm, the Formenerg building on 3 Gheorghe Șincai Blvd., with a value of 53,970 euros/year in the amount of 10 euros/sqm representing 4,497.5 euros/month, with an addendum of extension until the end of 2025.

On January 8, 2026, a new lease agreement was concluded between Smart and RAPPs, which consists of the lease of the building D1, 8th floor located in Free Press Square, no. 1 with an area of 394.60 sq.m., the monthly rent being 3,005.14 euros (7.62 euros/sq.m.) for a period of 1 year with the possibility of extension through additional documents.

At the same time, Smart has concluded a contract for assets with the right of use for vehicles, and the right of use is amortized over the life of the vehicles, being large machines used for interventions for maintenance and network repairs. The value of the monthly installment is 12,844.76 euros, the leasing contract is concluded for 60 months, starting with January 2025.

Teletrans SA has concluded a lease agreement that consists of the lease of the building, related land and courtyard building, with an estimated leasable area of 1080 sqm and a courtyard for exclusive use of 196 sqm located in 12 Stelea Spătaru Street, with an addendum signed during the year for extension until July 2028. The addendum implies an increase in rent from 8,600 euros/month to 9,460 euros/month, and from year 3 of the contract the value of the rent will be indexed annually with the HICP index.

As of December 31, 2025, the net value of the right to use the spaces leased by the consolidated companies in the respective office buildings is **1,663**.

Amounts recognised in the Statement of Cash Flows

	December 31, 2025	December 31, 2024
Total cash payments related to leasing contracts	(12,379)	(12,247)

Rents that are not subject to right-of-use assets, being short-term or low-value contracts, are found in the rental expense position in Note 26 Other operating expenses.

Payments related to the concession contract (royalty) are recognized as expenses in the profit and loss account by the Company during the year and are presented in Note 26.

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

*(All amounts are expressed in thousands of LEI, unless otherwise indicated)***7. Intangible assets****i) Intangible assets**

On 31 December 2025 and 31 December 2024, the balance of intangible assets (including the capitalisation of the additional CPT) is as follows:

	Licenses & Software	Additional CPT	Intangible assets in progress	Total
Cost				
Balance on January 1, 2024	64,383	352,262	10,076	426,721
Procurement	656	102,020	7,336	110,012
Transfers from intangible assets in progress	2,347	-	(2,347)	-
Transfers from property, plant and equipment in progress	28	-	-	28
Outputs	(28)	-	(2,802)	(2,830)
Balance as of December 31, 2024	67,386	454,282	12,262	533,931
Balance as of January 1, 2025	67,386	454,282	12,262	533,931
Procurement	649	924	39,009	40,582
Transfers from intangible assets in progress	36,805	-	(36,805)	-
Transfers from property, plant and equipment in progress	-	-	-	-
Outputs	(936)	-	-	(936)
Balance as of December 31, 2025	103,904	455,206	14,466	573,576
Cumulative depreciation				
Balance as of January 1, 2024	62,331	82,027	(16)	144,343
Depreciation expense	1,989	74,479	2	76,469
Cumulative depreciation of outputs	(28)	-	-	(28)
Balance as of December 31, 2024	64,292	156,506	(14)	220,784
Balance on January 1, 2025	64,292	156,506	(14)	220,784
Depreciation expense	3,197	90,995	2	94,194
Cumulative depreciation of outputs	(625)	-	-	(625)
Balance as of December 31, 2025	66,863	247,501	(11)	314,353
Depreciation adjustments				
Balance as of January 1, 2024	2	-	(2)	-
Expense with impairment adjustments	-	-	-	-
Balance as of December 31, 2024	2	-	(2)	-
Depreciation adjustments				
Balance on January 1, 2025	2	-	(2)	-
Expense with impairment adjustments	-	-	-	-
Balance as of December 31, 2025	2	-	(2)	-
NET BOOK VALUE				
Balance as of December 31, 2024	3,093	297,776	12,278	313,147
Balance as of December 31, 2025	37,038	207,706	14,479	259,223

a) Intangible assets in progress

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

The balance of **intangible assets under execution** as of December 31, 2025, in the amount of **14,479**, is represented by ongoing projects, the most significant being listed below:

- Implementation of new functions and software changes in the EMS - SCADA information system for the implementation of European and national legislative requirements – 6,321;
- Power Quality Monitoring System (PQMS) – 3,661;
- Development of the MARI platform – 3,132;
- Development of the PICASSO platform – 550;
- Development of the CMM (Capacity Management Module) platform – 434.

In 2025, there were transfers from intangible assets in progress to intangible assets in the amount of **36,805**, of which the most important are:

- Modernization of the Transelectrica messaging system – 12,937;
- Replacement of hardware components, updating and development of specific applications of the Balancing Market Platform - DAMAS II, migration and upgrade services acquisition component, specific applications for the Balancing Market - 11,539;
- Dedicated software development, necessary for determining the quantities of reserves using the probabilistic method – 5,943.

b) Intangible assets - additional CPT

Starting with September 30, 2022, the Company applies the provisions of GEO no. 119/2022 for amending and supplementing GEO no. 27/2022 and approved by Law no. 357/13.12.2022, whereby the additional costs with the purchase of electricity incurred between January 1, 2022 and March 31, 2025, in order to cover the own technological consumption and respectively, the technological consumption, compared to the costs included in the regulated tariffs, are capitalized quarterly. Thus, the capitalized costs are amortized over a period of 5 years from the date of capitalization and are remunerated with 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable during the amortization period of those costs and are recognized as a distinct component.

The Company recorded revenues representing additional CPT calculated as the difference between the net cost of the acquisition of CPT and the CPT cost recognized in the regulatory tariff until December 31, 2025 in the amount of 455,206 as follows:

- 338,527 - for 2022;
- 13,735 - for 2023;
- 102,020 - for 2024;
- 924 - for Trim. I year 2025.

As of December 31, 2025, a cumulative depreciation of 247,501 (156,506 as of December 31, 2024) is calculated for these capitalizations. Thus, the book value of the intangible assets resulting from the capitalization of the additional CPT is in the amount of 207,706 (297,776 as of December 31, 2024).

We specify that this income is of a non-monetary nature, its collection being made by the Company in a staggered manner through the transport tariff in the next five years from the date of capitalization, respectively until 31.03.2030, in accordance with the relevant legislative provisions.

8. Financial fixed assets

The balance of financial assets as of December 31, 2025 and December 31, 2024, amounting to **40,309**, is mainly represented:

- a) guarantees for the temporary occupation of the land, calculated and retained in accordance with art. 39 para. (1), para. (2) and para. (5) of Law no. 46/2008 on the Forestry Code, in order to achieve the investment objectives, as follows:
 - 400 kV OHL Resita – Pancevo (Serbia) in the amount of 4,200;

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

- 220 kV Ostrovu Mare RET OHL in the amount of 209.

b) of shares held by the Company, their net value is 34,154, as follows:

Company Investments	Shareholding %	December 31, 2025	Shareholding %	December 31, 2024
Shares held in Formenerg	-	-	100	1,948
Shares held in OPCOM	97.84	30,687	97.84	30,687
Shares held in BRM	0.35	28	0.32	26
Shares held in TSC NET	6.25	2,207	6.25	2,207
Shares held in Joint Allocation Office SA	3.85	1,232	4.00	1,232
Total shares		34,154		36,101

On September 23, 2025, the merger procedure was completed by absorption between the Company for Telecommunications Services and Information Technology in Electrical Transmission Networks – TELETRANS S.A., as the absorbing company, and the company "Formenerg" S.A., as the absorbed company (both companies being financial investments of the Company).

According to the applicable legislation, as of September 23, 2025, Teletrans has taken over all the rights and obligations assumed prior to the merger by Formenerg.

Following the merger of the 2 companies, Transelectrica's shares in TELETRANS increased by 104, at the same time as the decrease in Transelectrica's shares held in FORMENERG.

BRM (Romanian Commodity Exchange S.A.)

A closed-ended joint-stock company, which by its object of activity, organization and operation is a commodity exchange, as regulated by Law no. 375/2005 on commodity exchanges and a financial investment services company according to Law no. 126/2018 on financial instruments markets.

Among BRM's shareholders is the Company, which owns 28 shares worth a total of 28,000 lei, with a participation share of 0.35%.

At European level, the energy sector is undergoing a transformation process, 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 European level that ensures unitary development at continental level but also allows adaptation to national specifications while pursuing the legitimate interests of European states.

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

- **TSCNET**
- **JAO**

TSCNET (TSCNET Services GmbH)

It was established to serve the Transmission System Operators (TSOs) of the East-Central-Western region of Europe (CORE region) in order to coordinate the implementation of the European Network Codes. The affiliation is made with the participation in the TSCNET shareholding by carrying out a share purchase transaction within the company.

By Decision no. 9 of the EGMS of June 5, 2018, the Company's affiliation to the Security Coordination Center in the CORE region, 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)

Starting with 2019, the tenders for the allocation of long-term capacities are carried out coordinated by JAO which has been designated as the Single Allocation Platform (SAP) Operator.

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

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

Financial investment in Geco Power Company

In March 2025, the Company participated with a 25% contribution to the share capital of Geco Power Company Green Energy Corridor Power Company.

The newly established company GECO enters the consolidation perimeter, being a jointly controlled company, of the Join Venture type. Thus, the consolidated financial statements include the Group's share of GECO's results based on the equity method.

	December 31, 2025
Participation rate (%)	25%
Share of the share capital	3,750
Share of retained earnings	-
Share of adjusted profit or loss: loss	(378)
Balance at the end of the reporting period	3,372

9. Inventories

On 31 December 2025 and 31 December 2024, the stocks (at net value) are presented as follows:

	December 31, 2025	December 31, 2024
Spare parts	33,296	31,680
Consumables and other materials	17,131	20,642
Auxiliary materials	4,007	3,893
Other inventories	6,228	1,930
Total	60,662	58,144

Stocks worth 60,662 (as of December 2024:58,144) are expected to be recovered/capitalized as follows:

	December 31, 2025	December 31, 2024
Stocks to be recovered in the next 12 months	23,807	18,404
Stocks to be recovered over a period of more than 12 months	36,855	39,740
Total	60,662	58,144

As of December 31, 2025 and December 31, 2024, the inventory impairment adjustments are as follows:

	December 31, 2025	December 31, 2024
Adjustments for impairment of consumables	10,053	6,879
Adjustments for impairment of other materials	5,483	5,329
Adjustments for impairment of packaging	122	122
Total	15,658	12,330

At 31 December 2025 and 31 December 2024, the evolution of the adjustments for the depreciation of inventories is presented as follows:

	December 31, 2025	December 31, 2024
Opening balance 1 january	12,330	13,857
Inventories impairment adjustments	5,474	1,842
Reversal of inventories impairment adjustments	(2,146)	(3,368)
Balance on the end of period	15,658	12,330

During 2025 and 2024, the expenses incurred with the consumption of materials and spare parts are presented as follows:

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	December 31, 2025	December 31, 2024
Expenditures on spare parts	25,201	12,369
Expenditures on consumables	6,391	5,359
Expenditures on other materials	1,553	2,025
Expenditures on auxiliary materials	107	95
Expenditures on fuel	3,096	3,166
(Gains) / Inventory Depreciation Losses	3,344	-
Total	39,692	23,014

The presentation of the above breakdown of expenses with materials and consumables is modified compared to the previous period, so in accordance with the current presentation we mention that in December 2024 (Gains) / Inventory depreciation losses were in the amount of **(1,480)** and were found in Note 26 Other operating expenses.

10. Trade receivables and other receivables

On 31 December 2025 and 31 December 2024, trade receivables and other receivables are presented as follows:

	December 31, 2025	December 31, 2024
Trade receivables	2,549,214	2,708,161
Other receivables	248,977	233,647
Down payments to suppliers	374,940	769,896
VAT to recover	396,616	272,236
Adjustments for impairment of uncertain trade receivables	(126,980)	(128,066)
Adjustments for impairment of other uncertain receivables	(71,764)	(73,033)
Total	3,371,004	3,782,840

The structure of trade receivables is as follows:

	December 31, 2025	December 31, 2024
Clients on the electricity market, of which:	2,531,401	2,698,954
- Clients - operational activities	1,884,104	1,898,742
- Clients - balancing market	501,989	667,862
- Clients - bonus type support scheme to promote high efficiency cogeneration	145,308	132,351
Clients from other activities	17,814	9,206
Total trade receivables	2,549,214	2,708,161

For 2025, the line "Net adjustments for the impairment of receivables" in the profit and loss account, in the amount of 6,452, includes the following items:

- Adjustments (net) impairment of current assets in the amount of 1,845,
- (Net) losses from receivables and miscellaneous debtors in the amount of 4,607.

Risk exposure for trade receivables, other receivables and advances to suppliers:

	Gross value 31 December 2025	Expected loss rate	Expected lifetime loss
Not reached to maturity	2,831,976	0.01%	340
Due date exceeded 1 – 30 days	(632)	0%	-
Due date exceeded 31 – 90 days	2,293	0%	-
Due date exceeded 90 – 180 days	27,749	1.75%	484
Due date exceeded 180 – 270 days	7,511	0.54%	41
Due date exceeded 270 – 365 days	702	47.10%	331
More than a year	303,533	65.08%	197,548
Total	3,173,132		198,744

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

- CNTEE Transelectrica SA carries out its operational activity based on the Operating License no. 161/2000 issued by ANRE, updated by the Decision of the President of ANRE no. 1793/26.08.2025, for the provision of the electricity transmission service, for the provision of the system service and for the administration of the balancing market.

As of December 31, 2025, the outstanding customers of the operational activity recorded a decrease compared to December 31, 2024 mainly determined by the decrease in the volume of transactions resulting from the coupling of the energy markets, in the fourth quarter of 2025 compared to the fourth quarter of 2024.

The decrease in the volume of transactions in the balancing market in the fourth quarter of 2025, compared to the fourth quarter of 2024, also led to a decrease in the balance of customers in the contracts concluded for this type of activity.

The main clients in the total trade receivables are represented by: Romanian Commodity Exchange, IBEX, MAVIR, Ciga Energy SA, Hidroelectrica, Electrica Furnizare SA, OPCOM, PPC ENERGIE SA, RAAN, JAO.

- 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 duties being the monthly collection of the contribution for cogeneration and the monthly payment of bonuses"*.

As of December 31, 2025, the Company has receivables receivable from the bonus support scheme for the promotion of high-efficiency cogeneration in a proportion of approximately 6% of total trade receivables (up from 5% on December 31, 2024).

Customers in the bonus support scheme for the promotion of high-efficiency cogeneration register on December 31, 2025 an increase in receivables mainly determined by the increase in the invoiced value for the collection of the monthly contribution.

As of December 31, 2025, the Company has receivables in the amount of 145,308 (132,351 as of December 31, 2024), represented by the invoices issued related to the bonus support scheme for the promotion of high-efficiency cogeneration, of which:

- overcompensation for the period 2011-2013 in the amount of 76,702, respectively from RAAN - 63,467 and CET Govora SA - 13,235;
- undue bonus for 2014, in the amount of 3,915, respectively from RAAN – 1,981, CET Govora – 1,934;
- undue bonus for 2015, in the amount of 564, respectively from CET Govora - 534, Interagro - 30;
- undue bonus for 2020, in the amount of 522 from Donau Chem;
- contribution for cogeneration not collected from electricity consumers' suppliers, in the amount of 20,430, respectively from: Transenergo Com – 5,882, Petprod – 4,391, Romenergy Industry – 2,681, RAAN – 2,386, UGM Energy – 1,504, CET Govora – 901, KDF Energy – 474 and others.

The situation of claims related to the bonus support scheme for the promotion of high-efficiency cogeneration is presented as follows:

	December 31, 2025	December 31, 2024
Overcompensation 2011 - 2013	76,702	76,702
Undue bonus for 2014	3,915	3,915
Undue bonus for 2015	564	564
Undue bonus for 2020	522	522
Uncollected cogeneration contribution	20,430	20,781
Invoices issued after the reporting date, related to the financial year ended	43,175	29,866
Total	145,308	132,351

As of the date of this financial reporting, the Company has collected all receivables related to the overcompensation of the activity regarding the support scheme for 2024, the amount of 8,601, from Contourglobal Solutions, as well as the amount of 8,401 of the undue bonus established by ANRE Decisions for 2024, from the following producers: Bepco SRL, Electro Energy Sud, Electrocentrale București, Electrocentrale Craiova, Electrouilaj SA, Iasi Municipality, Soceram SA, Termoficare Oradea, Thermoenergy Group and Vest Energo.

In order to extinguish the receivables generated by overcompensation and undue bonus, from previous

years, the Company requested the producers qualified in the support scheme to make mutual compensations. For the producers (RAAN, CET Govora) who did not agree with this method of extinguishing mutual receivables and debts, the Company has applied and continues to apply the provisions of art. 17 para. 5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and paying the bonus for electricity produced in high-efficiency cogeneration: *"if the producer has not paid in full to the administrator of the support scheme the resulting payment obligations in accordance with the provisions of this Regulation, the administrator of the support scheme shall pay the producer the difference between the value of the invoices issued by the producer and the payment obligations of the producer related to the support scheme, with the explicit mention, on the payment document, of the respective amounts"* and withheld from payment the amounts related to the support scheme due.

- On the docket of the Mehedinti Tribunal – Second Civil, Administrative and Fiscal Litigation Section, the file no. 9089/101/2013/a140 was registered, having as object "claims for the amount of 86,513", a file in which the Company has the status of plaintiff, the defendant being **the Autonomous Authority for Nuclear Activities – RAAN**.

By the request for summons filed by Transelectrica SA, it requested that the defendant RAAN be ordered to pay the amount of 86,513. More details regarding this file are presented in Note 30.

- CNTEE Transelectrica SA has concluded with CET Govora SA an agreement for the compensation and rescheduling of the amounts representing receivables from the value of the overcompensation for the period 2011-2013 and the undue bonus for 2014 (Agreement no. C 135/30.06.2015 and Addendum no. 1/04.08.2015). The duration of the Agreement was 1 year (July 2015-August 2016) and provided for the Company's right to calculate and collect penalties during the payment rescheduling period.

Based on the Agreement, the Company's receivables to be collected 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 retained by applying the provisions of Article 17 paragraph 5 of the ANRE President's Order 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 Sentence no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014 by which the value of the overcompensation for the period 2011-2013 was established, CET Govora SA no longer complied with the obligations assumed by the Convention.

Starting with May 9, 2016, the general insolvency procedure was opened for CET Govora. In order to recover the debts arising before the opening of the insolvency proceedings, the Company followed the specific procedures provided for by Law no. 85/2014 - Insolvency Law and requested the court to admit the claims, according to the law. In view of the above, starting with May 9, 2016, the Company ceased the application of the provisions of art. 17.5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency cogeneration and paid monthly to CET Govora the cogeneration bonus.

By Civil Decision no. 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal filed by ANRE against the Civil Sentence no. 3185/27.11.2015, partially quashed the appealed sentence and rejected the request for suspension formulated by CET Govora, the decision being final. Thus, starting with 05.10.2016, the effects of ANRE Decision no. 738/28.03.2014 are no longer suspended, producing full effects.

Under these conditions, the Company applies the provisions of art. 17 paragraph 5 of ANRE Order no. 116/2013 for the debts and mutual receivables arising after the insolvency procedure, in the sense of withholding the bonus due to CET Govora SA up to the amount of the amounts related to the unpaid support scheme to the Company. Transelectrica was entered in the preliminary and final table with a total claim of 28,200, of which the amount of 25,557 is related to the support scheme. Under these conditions, the Company included the amount of 22,188 related to the support scheme in the account of various debtors, analytically distinct - ANRE, with an impact on the net position of the support scheme.

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

On 25.03.2022, by Government Decision no. 409/2022, 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 demand for useful thermal

energy. Thus, the period of application of the support scheme is extended until 2033, exclusively for producers who meet the conditions to access the extension of the support scheme.

At the same time, the financial closure of the support scheme that will be carried out in the first half of 2034 is also extended.

Other receivables

As of December 31, 2025, other claims amounting to **248,977 (233,647 as of December 31, 2024)** mainly include:

- miscellaneous debtors **104,098 (135,507 as of December 31, 2024)**, of which:
 - late payment penalties calculated for non-paying customers, in the amount of 75,041 (of which 25,854 represent penalties related to the support scheme) (80,489 as of December 2024, of which 25,853 penalties for the support scheme). The highest late payment penalties were recorded by the partners: Romelectro (24,464), RAAN (16,901), CET Govora (9,607), Electromontaj SA (5,865), OPCOM (4,625), Total Electric Oltenia (3,289), Multiservice G&G SRL (2,162), Petprod (1,894), GE Digital Service Europe (1,137), ISPE Design and Consultancy (1,079). For the penalties calculated for the late payment of receivables from the operational activity, impairment adjustments were recorded;
 - compensations owed by suppliers for non-delivery of electricity in the amount of 11,924: Arelco Power (988), Enol Grup (2,541) and Next Energy Partners (8,395). For the compensations due by the suppliers in the operational activity, impairment adjustments were recorded;
 - the receivable from OPCOM representing the VAT related to the contribution in kind to the share capital of the respective company in the amount of 4,517.
- amounts received as a subsidy **(31,924)** (9,866 as of December 2024), mainly related to the contracts for connection to the RET;
- expenses recorded in advance in the amount of **10,291 (15,627 as of December 31, 2024)** represented mainly by: CPT (5,747), insurance policies (1,730), rent and maintenance of office buildings (763), miscellaneous services (279) and others;
- other social claims in the amount of **4,513 (3,658 as of December 31, 2024)** mainly representing sick leaves paid by the employer to employees and to be recovered from the National Health Insurance House, according to the legislation in force.

Advances to suppliers

As of December 31, 2025, the advances paid to suppliers are represented by debtor suppliers for services in the amount of **374,940** (769,896 as of December 31, 2024) and represent, mainly, amounts from transactions related to the price coupling mechanism (ICP - *Interim Coupling Project*, SIDC - *Single Intraday Coupling*, SDAC - *Single Day-ahead Coupling* and IDA - *"IntraDay Auction"*) (MAVIR – 303,225, IBEX – 56,214 and JAO – 12,857).

VAT to be recovered

VAT to be recovered **396,616 (272,236 as of December 31, 2024)** – amount related to returns for the period September 2025 – December 2025. Until the date of preparation of this report, the Company has collected from the state the amount of 267,046, representing the value added tax requested for reimbursement related to the statements for the period September – November 2025.

Impairment adjustments for trade receivables, uncertain trade receivables and other uncertain receivables

The largest impairment adjustments as of December 31, 2025, calculated for trade receivables and related penalties, were recorded for: JAO (30,752), CET Govora (24,645), Romelectro (24,471), Arelco Power (14,513), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), OPCOM (9,143), RAAN (8,517), Next Energy Partners (8,395).

In order to recover the debts adjusted for impairment, the Company has taken the following measures: legal action, registration in the insolvency estate, etc.

For both 2024 and 2025, there were no material impairments for specifically identified receivables. Details of the movements related to the adjustments for the impairment of receivables can be found in Note 34.

11. Cash and cash equivalents

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

On 31 December 2025 and 31 December 2024, cash and cash equivalents are presented as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current accounts with banks and deposits, of which:	761,057	707,030
<i>a) current accounts with banks and deposits current activity</i>	89,564	200,420
<i>b) current accounts with banks and deposits with specific destinations, from which</i>	671,493	506,610
- Cash and high-efficiency cogeneration deposits	-	300,321
- cash from revenues related to the allocation of interconnection capacities used for investments in the network	1,886	3,903
- cash from the connection fee	297,638	88,099
- European funds	7	54
- other restricted accounts (guarantees, energy markets and dividends)	371,290	109,417
- modernization funds	672	4,817
Cash desk	135	144
Other cash equivalents	-	-
Total	761,192	707,174

The following information is relevant in the context of the consolidated statement of cash flows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current accounts with banks, deposits and other cash equivalents	761,192	707,174
Overdrafts used for liquidity management purposes	(177,421)	-
Total cash and cash equivalents in consolidated statement of cash flows	583,771	707,174

Cash is placed in financial institutions, which are considered to be associated with minimal performance risk.

Rating/Outlook	<u>December 31, 2025</u>	<u>December 31, 2024</u>
BBB+ / Stable	-	523,730
BBB+ / Negative	116,971	
AA- / Stable	11,747	10,531
A- / Stable	-	1,534
BBB- / Positive	-	2,226
BBB- / Stable	1,041	19,795
BBB / Stable	58	63
BBB-/Negative	18,508	-
BBB / Negative	-	-
BB / Stable	152	153
BB+ / Stable	-	26
A+ / Stable	612,579	148,972
Total	761,057	707,030

All financial institutions are rated by Fitch or equivalent.

12. Other financial assets

Other financial assets include bank deposits with an initial maturity of more than 90 days.

As of December 31, 2025, there are no bank deposits with an initial maturity of more than 90 days.

13. Equity

Share capital

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

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

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

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

On 14.11.2019, Depozitarul Central S.A. recorded 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 to the Government, as a result of the implementation of the provisions of the Government Emergency Ordinance no. 68/06.11.2019 on the establishment of measures at the level of the central public administration and for the modification and completion of some normative acts.

As of December 31, 2025, the shareholders of CNTEE Transelectrica SA are: the Romanian State represented by the General Secretariat of the Government which holds a number of 43,020,309 shares (58.69%), the privately managed pension fund NN with a number of 4,007,688 shares (5.47%), PAVAL HOLDING with a number of 4,753,567 shares (6.49%), other shareholders Legal Entities with a number of 16,839,437 shares (22.97%) and other shareholders Individuals with a number of 4,682,141 shares (6.38%).

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

The shareholding structure as of December 31, 2025 and December 31, 2024 is as follows:

Shareholder	December 31, 2025		December 31, 2024	
	Number of shares	% of share capital	Number of shares	% of share capital
The Romanian State through SGG	43.020.309	58,69%	43.020.309	58,69%
Other legal person shareholders	16.839.437	22,97%	16.442.683	22,43%
PAVAL HOLDING	4.753.567	6,49%	4.753.567	6,49%
NN Group NV	4.007.688	5,47%	4.007.688	5,47%

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	December 31, 2025		December 31, 2024	
	Number of shares	% of share capital	Number of shares	% of share capital
Shareholder				
Other natural person shareholders	4.682.141	6,38%	5.078.895	6,92%
Total	73.303.142	100,00%	73.303.142	100,00%

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

On December 31, 2025 and December 31, 2024, the share capital is presented as follows:

	December 31, 2025	December 31, 2024
Share capital (nominal value)	733.031	733.031
Share capital balance	733.031	733.031

Shareholders are entitled to dividends and each share confers a voting right at the Company's meetings.

Issue premium

All the shares issued under the share capital increase that took place through the initial primary public offering in 2006 were subscribed and paid in full at the issue price. The issue premium in the amount of 50,222 **(49,843** as of December 31, 2024), respectively the difference between the issue price of the shares and their nominal value, was recorded in the Company's reserve account.

Legal reservations

The legal reserves in the amount of 146,606 as of December 31, 2025 and December 31, 2024, represent legal reserves constituted according to the applicable legislation in force and cannot be distributed.

Revaluation reserves

The revaluation reserves are in the amount of **1,496,393** as of December 31, 2025 and in the amount of **1,596,896** as of December 31, 2024.

In 2025, the revaluation reserves in the amount of 18,050 taken over by Teletrans based on the merger with Formenerg, which in 2024 was not part of the consolidation perimeter, were also included in the revaluation reserves.

The last revaluation of tangible assets classified in group 1 – *Constructions* and in Group 2 – *Technical installations, means of transport* registered in the Company's private assets was carried out on December 31, 2023 by Appraisal & Valuation, the valuation and consultancy division of NAI Romania, an independent appraiser authorized by the National Association of Licensed Appraisers in Romania.

Transelectrica's policy is that the revaluation reserve included in the equity related to an item of tangible fixed assets is transferred directly to the retained profit as the revalued tangible asset is depreciated and when the asset is derecognized. In this case, the amount of the surplus transferred would be the difference between the depreciation calculated on the basis of the revalued carrying amount of the asset and the depreciation amount calculated on the basis of the initial cost of the asset. Transfers from the revaluation surplus to retained earnings are not made by profit or loss. The effects in the calculation of corporate income tax, if any, resulting from the revaluation of tangible assets are recognised and presented in accordance with IAS 12 – Corporate Income Tax.

The revaluation reserves cannot be distributed directly to the shareholders, but only after their transfer in the retained earnings.

Other reserves

As of December 31, 2025, other reserves are in the amount of **299,170** compared to **256,747** as of December 31, 2024. The increase in the balance of other reserves as of December 31, 2025 compared to

December 31, 2024 in the amount of 42,423 is mainly due to subsidies related to fixed assets belonging to the public domain received for the following investment objectives:

- Relocation/prot. 400 kV high voltage network - 400 kV Urechești-Domnești OHL and 400 kV Brazi Vest-Domnești OHL at the intersection with the Bucharest Ring Highway - Km 0+000, Km 100+900, Lot 3, Sector 1, Km 85+300, Km 100+765 - South Belt, Sector 2, Km:0+00 – 15,326;
- Execution of works for the relocation of high-voltage electrical networks - 400 kV (220 kV) Gutinaș - Focșani West OHL common circuit with 400 (220) kV OHL Focșani West-Barboși and Buzău - Focșani Highway - Design and Execution - 5,053;
- Relocation of the 220 kV networks for the Bucharest Ring Highway, Km 0+000 - Km 52+770, LOT 4 Km 47+600 - Km 52+070 - 4,765;
- Relocation of the 220 kV networks for the Bucharest Ring Highway, km 0+000-km 100+900, North Ring Road Sector, km 0+000-km 52+770, LOT 3 km 39+000-km 47+600 – 4,296;

Retained earnings

The result carried forward to December 31, 2025 is in the amount of **3,346,732** (December 31, 2024: **3,123,993**).

As of December 31, 2025, the Company recorded a positive retained result mainly due to the change in the following items:

- recording the transfer of revaluation reserves to the extent of the amortization of fixed assets in the retained profit in the amount of **117,767 (135,761 as of December 31, 2024)**;
- recording in the retained profit of the net profit, in the amount of **364,499** realized on 31.12.2025 (**580,108** as of December 31, 2024);
- recording the actuarial loss in the retained profit in the amount of 21,911 (December 31, 2024, loss: 414). This amount resulted from the application of IAS 19 – Employee Benefits (Note 16).
- recording the distribution of the profit for 2024 as dividends that were allocated to shareholders in 2025 in the amount of 279,285 (20,525 as of December 31, 2024).

Dividend

Romanian companies may distribute dividends from statutory profits, according to the statutory individual financial statements prepared in accordance with the Romanian accounting regulations.

On June 11, 2025, the Company's General Meeting of Shareholders approved the total amount of dividends distributed to shareholders from the 2024 profit in the amount of 279,285 (2024: 20,525). The amount of dividends per share distributed was RON 3.81 per share (2024: RON 0.28/share).

Of the dividends distributed by the Company in the amount of 279,285 (2024: 20,525), dividends in the amount of 278,796 (2024: RON 20,584 thousand) were paid, the difference representing dividends not raised by shareholders.

14. Advance revenue

The advance revenues are mainly represented by: the connection tariff, other investment subsidies, non-reimbursable European funds collected from the Ministry of European Funds, the Ministry of Energy, the General Secretariat of the Government, as well as revenues from the use of the interconnection capacity.

The statement of advance revenues as of December 31, 2025 and December 31, 2024 is presented as follows:

	December 31, 2025	Of which the short- term portion as of December 31, 2025	December 31, 2024	Of which the short- term portion as of December 31, 2024
Deferred revenues – allocation of the interconnection capacity	3,955	3,955	6,728	6,728
Deferred revenues – European funds	2,632	2,632	3,335	3,335
Deferred revenues – Other	1,221	1,221	-	-
Connection fee funds	506,334	7,789	296,793	7,155
European Funds	320,157	8,095	232,180	2,299

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	December 31, 2025	Of which the short- term portion as of December 31, 2025	December 31, 2024	Of which the short- term portion as of December 31, 2024
Other subsidies	20,963	349	21,211	2,716
Total	855,261	24,041	560,247	22,232

The evolution of **short-term advance revenues** between January and December 2025 is presented as follows:

	December 31, 2025	December 31, 2024
Opening balance 1 january	22,232	16,138
Cash in advance related to interconnection capacity	128,019	93,714
Proceeds from European funds	-	2,585
Proceeds from other funds	1,527	-
Transfer of long-term deferred revenues	3,778	(2,095)
Revenues from the use of interconnection capacities	(130,792)	(88,040)
Revenues from European funds	(723)	(70)
Balance on the end of period	24,041	22,232

The evolution of **long-term advance revenues** between January and December 2025 is presented as follows:

	December 31, 2025	December 31, 2024
Balance on January 1	538,015	519,115
Connection subsidies	259,419	47,520
Non-reimbursable funds	29,754	43,189
PNRR	123,761	-
Transfer from short term deferred revenues	(74,197)	(85,944)
Resumption of subsidies to revenues	(45,532)	14,134
Balance at the end of the period	831,220	538,015

15. Loans

For 2025, the movements related to loans are presented as follows:

	Currency	Interest rate	Book value
Balance as of January 1, 2025			40,559
Drawdowns – current activity – BCR	RON	ROBOR +commission	169,053
Refunds, of which:			(24,239)
EIB 25709	EUR	3,60%	(12,096)
EIB 25710	EUR	3,856%+2,847%	(12,143)
Exchange rate differences on the date of redemption			452
Balance as of December 31, 2025			185,825

Long-term loans

As of December 31, 2025, the value of long-term loans decreased compared to December 31, 2024 mainly due to repayments made under existing loan agreements.

On 31 December 2025 and 31 December 2024, the balance of long-term loans contracted from credit institutions shall be as follows:

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

Description	December 31, 2025	December 31, 2024
EIB 25709(i)	-	11,975
EIB 25710(i)	8,116	19,928
Total long-term loans from credit institutions, of which:	8,116	31,903
Less: Current portion of long-term loans	(6,645)	(23,985)
Total long-term loans, net of current rates	1,471	7,918

Situation of long-term loans as of 31.12.2025:

Nr.crt	Loan name	Date of award	Initial Value (Currency)	Balance as of 31.12.2025 (currency)	Balance as of 31.12.2025 RON	Interest rate	Maturity according to the loan
1EIB 25709		05.08.2010	32,500,000,00 EUR	-	-	3.596%	10.09.2025
2EIB 25710		05.08.2010	32,500,000,00 EUR	1.591.880,29 EUR	8,116,202	3.856% and 2.847%	11.04.2028
Total				8,116,202			

Long-term loans are detailed as follows:

a) and b) Loan granted by the European Investment Bank (EIB)

Loans no. EIB 25709 and EIB 25710 were granted by the EIB on 5 August 2010 to finance the modernisation and rehabilitation of the Electricity Transmission Network in Romania. The value of each loan is EUR 32,500,000. 25709 is not guaranteed, while the loan no. 25710 is guaranteed by BNP Paribas SA Bucharest Branch. The repayment period is 15 years, with a grace period of 2 years. Repayment shall be made from 2012 to 2025 for EIB loan 25709 (on 10 March and 10 September each year) and from 2013 to 2028 for EIB loan 25710 (on 11 April and 11 October each year). The interest rate is 3.596% for the EIB loan 25709, and for the EIB loan 25710 it is 3.856% and 2.847%.

The amount due on 31 December 2025 for EIB loan 25709 is EUR 0 and for EIB loan 25710 is EUR 1,591,880.29.

EIB Loan Agreement 25709 contains certain financial clauses: (i) the ratio of EBITDA to interest on long-term loans paid during the year must be at least 4.2; (ii) the ratio of long-term obligations to equity must not exceed 0.95; (iii) the ratio between total net debt and EBITDA is a maximum of 3.5.

The EIB loan 25710 is guaranteed by BNP Paribas SA Bucharest Branch. The guarantee contract was concluded on 20.12.2019 for a period of 3 years, guarantee fee of 0.40% per year calculated at 115% of the value of the loan remaining to be repaid. On 31.10.2022, amendment no. 2, amendment ensuring the guarantee of EIB credit 25710 until 11.11.2028. For this period, the guarantee fee is 0.6% per year, calculated at 115% of the value of the loan remaining to be repaid.

As of December 31, 2025, EIB loan 25709 is repaid in full, as a result, it no longer required the calculation of the financial indicators provided for in the loan agreement.

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

	December 31, 2025	December 31, 2024
Between 1 and 2 years	980	6,483
Between 2 and 5 years	490	1,435
Over 5 years	-	-
Total	1,471	7,918

The Company has not carried out hedging activities against the risks related to its foreign currency obligations or exposure to the risks associated with the interest rate.

All long-term loans outstanding on 31.12.2025 are subject to fixed interest rates.

Current borrowings

Short-term loans are detailed as follows:

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	December 31, 2025	December 31, 2024
Current portion of non-current borrowings	6,645	23,985
Short-term bank loans	172,419	-
Credit lines of Smart and Teletrans	5,002	8,354
Interest related to the non-current and current loans	288	303
Total current borrowings	184,354	32,641

- *Loans contracted for current activity*

On 30.03.2022, Transelectrica concluded the loan agreement no. C624 with Banca Comercială Romanian for a period of 12 months to finance the bonus support scheme for high-efficiency cogeneration, in the form of an overdraft, in the amount of 175,000, with an interest calculated according to the **ROBOR 1M reference rate, to which is added a margin of 0% and a commission of 0.088%.**

On 04.01.2023, Transelectrica concluded the Addendum no. 1 to the credit agreement no. C624 concluded with Banca Comercială Romanian, having as object the extension of the purpose of the credit line also to cover temporary working capital needs and to extend the validity of the contract by 12 months (from 30.03.2023 to 30.03.2024).

On 27.03.2024, Transelectrica concluded the Addendum no. 2 to the loan agreement no. C624 concluded with Banca Comercială Romanian, having as object the extension of the validity of the contract by 12 months (from 30.03.2024 to 30.03.2025).

On 27.03.2025, Transelectrica concluded the Addendum no. 3 to the credit agreement no. C624 concluded with Banca Comercială Romanian, having as object the extension of the validity of the contract by 12 months (from 30.03.2025 to **30.03.2026**).

The credit line is secured by:

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

As of December 31, 2025, the credit line is 99% utilized.

- *Loans contracted by Smart and Teletrans*

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

- a) RON 46 million for the purpose of financing working capital for a **period of 48 months** with a variable interest rate depending on the 3M ROBOR to which is added the bank's margin (**ROBOR 3M + 1.65 p.p.**), of which: RON 15 million overdraft loan, with a revolving character (the first uses being for the refinancing of the facility granted by Exim – Banca Românească), 10 million lei for the financing of VAT related to investments (PNRR project), with a revolving character and guarantee facility, with a revolving character up to the amount of 46 million lei.
- b) RON 37 million for the purpose of financing the working capital **for a period of 36 months** with a variable interest rate depending on the 3M ROBOR plus the bank's margin (**ROBOR 3M + 1.95 p.p.**), of which: RON 10 million for the financing of working capital in connection with the execution of the works related to the Works Contracts (up to RON 4.5 million for uses in connection with the Sunlight Ventures Project and up to the amount of RON 10 million uses in connection with the Black Sea Renewables Project, the sub-limits can be used in any combination) and guarantee facility, of a revolving nature up to the amount of 37 million lei.

On 02.07.2025, through Addenda no.1, the period of use of the ceilings of the two multi-product credit facilities was extended until **06.08.2026**.

As of December 31, 2025, the balance drawdowns from the ceilings of the multi-product credit facilities in the amount of 5,002.

(c)On **February 3, 2025**, Teletrans contracted from the Romanian Commercial Bank an overdraft loan with a ceiling of 10 mln. Lei, granted for a period of **12 months** with a variable interest rate depending on the 3M

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

ROBOR to which the bank's margin is added (**3M ROBOR + 0.75 p.p.**) for the purpose of financing the current activity.

On 27.01.2026, through the Addendum no.1, the period of use of the overdraft credit facility ceiling was extended until **02.02.2027**.

As of December 31, 2025, Teletrans does not present a balance related to the drawdowns from the credit line.

16. Obligations regarding employee benefits

According to the collective bargaining agreement, applicable in 2025, the Group provides long-term benefits to employees, depending on their length of service and seniority within the Company. The benefits granted to employees with management positions are presented in Note 32 - Remuneration of the Company's management.

The actuarial calculations regarding the post-employment benefits and other long-term benefits were determined by a licensed actuary, based on the service contract concluded with Proficariere SRL.

The obligations regarding employee benefits are presented as follows:

	December 31, 2025	December 31, 2024
Jubilee premiums	66,893	63,108
Benefits granted for total incapacity for work (invalidity)	235	236
Retirement bonuses	19,737	42,926
Benefits granted for death from other causes	1,570	1,792
Benefits granted for death from a work accident	408	411
Free electricity for current post-retirement employees and retired employees	10,435	7,687
Total	99,278	116,159

The obligations regarding employee benefits are in the total amount of 99,278 as of December 31, 2025, of which the amount of 15,299 represents the short-term portion.

	Short-term obligations	Long-term obligations
Jubilee premiums	12,854	54,040
Benefits granted for total incapacity for work (invalidity)	-	235
Retirement bonuses	1,631	18,106
Benefits granted for death from other causes	-	1,570
Benefits granted for death from a work accident	-	408
Free electricity for current post-retirement employees and retired employees	814	9,621
Total	15,299	83,979

Significant actuarial assumptions used to determine the present value of the defined benefit obligation

Discount rate

- Due to the lack of structural data and the volatility of yields, the interest rates on risk-free investments published by the E.I.O.P.A. at the end of December 2025 were considered.

Inflation

- At the time of the assessment, according to the National Institute of Statistics, the annual inflation rate in December 2025 compared to December 2024 was 9.7%. To make the projection, starting in 2026, we modeled wage growth as close to the discount rate. Thus, in the following years, in order to have a compatible and unbiased data set, the salary increase was considered to have a weighted average 1% higher than the discount rate values.

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

*(All amounts are expressed in thousands of LEI, unless otherwise indicated)***Legal retirement age**

- In accordance with Law no. 360 of 29.11.2023, the legal retirement age is 65 years for men and women, with the exceptions provided in Annex no. 5 to this law. Thus, the legal provisions were used to model the retirement date, taking into account the demographic specificity of the group of employees.

Mortality

- The mortality table of the Romanian population, men / women, 2022, urban environment was used (Source: National Institute of Statistics).

Labour migration

- To model departures from the company, values of labor migration with a weighted average of 2.1% per year were used, consistent with the real values of each of the groups of employees in the companies. The percentages used for departures from the company tend to zero with increasing age - for people who are older it can be considered a percentage of labor migration that decreases to zero.

Fees and Taxes

- All taxes valid on 31.12.2025 were included in the calculation of retirement obligations.

Analysis of the maturities of the present obligations

Estimated provisions, depending on their duration to maturity	Jubilee Prime Obligations	Pension obligations	Electricity aid obligations for pensioners - former employees	TOTAL
Duration <= 1 year	12,854	1,631	814	15,299
Duration >1 year and <=3 years	10,142	557	1,574	12,273
Duration >3 years and <=5 years	11,211	3,991	1,533	16,735
Duration >5 years and <=10 years	15,442	6,364	3,576	25,381
Duration >10 years	17,245	7,194	2,939	27,377
TOTAL	66,893	19,737	10,435	97,065

The weighted average duration of retirement obligations for the companies in the group was 9.08 years.

Sensitivity Analysis

	Jubilee Prime Obligations	Obligations for retirement	Obligations for disability	Obligations for death from other causes	Obligations for death from a work accident	Electricity quota aid obligations for pensioners - former employees	Total obligations
Obligation amounts at the reporting date	66,893	19,737	235	1,570	408	10,435	99,278
Refresh rate +1%	62,587	18,163	233	1,548	404	9,596	92,530
Discount rate -1%	71,824	21,546	237	1,587	411	11,398	107,003
Wage growth rate +1%	72,410	21,520	248	1,587	430	11,379	107,574
Wage growth rate -1%	61,991	18,154	223	1,547	387	9,596	91,898
Departure rate +1%	66,780	19,119	234	1,636	405	10,399	98,573
Departure rate from the company -1%	67,024	20,426	236	1,501	410	10,471	100,067
Increase in life expectancy at birth by 1 year	66,923	19,936	235	1,441	408	10,912	99,855

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CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	Jubilee Prime Obligations	Obligations for retirement	Obligations for disability	Obligations for death from other causes	Obligations for death from a work accident	Electricity quota aid obligations for pensioners - former employees	Total obligations
Decrease in life expectancy at birth by 1 year	66,859	19,506	235	1,721	407	9,937	98,665

For the valuation of the obligations related to employee benefits, the actuary who prepared the actuarial report used the projected unit credit method. This method involves the following steps: data collection and analysis, determination of assumptions, calculation of the benefit to be paid if the respective event occurs - using the projection of financial values, then evaluation of the present value of the obligations, taking into account the discount rates and probabilities of the person's exit from the benefit scheme.

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

*(All amounts are expressed in thousands of LEI, unless otherwise indicated)***OBLIGATIONS REGARDING EMPLOYEE BENEFITS**

	December 31, 2024	Interest cost	Current Service Cost	Payments from the provision	(Gain)/Actuarial Loss for the Period	December 31, 2025
Jubilee benefits to be granted to current employees	63,108	4,088	10,570	(7,734)	(3,138)	66,893
Benefits granted for total incapacity for work (invalidity)	236	14	10	-	(25)	235
Benefits related to retirement bonuses for current employees	42,926	1,038	1,542	(1,060)	(24,709)	19,737
Benefits granted for death from other causes	1,792	110	(82)	(172)	(78)	1,570
Benefits granted for death from a work accident	411	25	33	-	(61)	408
Benefits related to the value of electricity that will be paid to current employees after retirement	2,849	174	-	-	(3,023)	-
Benefits related to the payment of the equivalent value of electricity to be paid to current pensioners	4,838	296	130	(814)	5,985	10,435
Total	116,159	5,745	12,203	(9,779)	(25,049)	99,278
	December 31, 2023	Interest cost	Current Service Cost	Payments from the provision	(Gain)/Actuarial Loss for the Period	December 31, 2024
Jubilee benefits to be granted to current employees	55,221	4,224	10,708	(6,195)	(850)	63,108
Benefits granted for total incapacity for work (invalidity)	-	-	-	-	236	236
Benefits related to retirement bonuses for current employees	31,159	1,970	7,328	(2,020)	4,488	42,926
Benefits granted for death from other causes	-	-	568	(62)	1,287	1,792
Benefits granted for death from a work accident	-	-	46	-	365	411
Benefits related to the value of electricity that will be paid to current employees after retirement	5,804	388	1,167	(295)	(4,216)	2,849
Benefits related to the payment of the equivalent value of electricity to be paid to current pensioners	5,705	382	-	(352)	(896)	4,838
Total	97,888	6,964	19,817	(8,924)	414	116,159

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

17. Trade and other liabilities

a) On 31 December 2025 and 31 December 2024, trade and other liabilities shall be presented as follows:

	December 31, 2025	December 31, 2024
Providers - electricity market	1,676,250	2,253,148
Asset providers	366,779	158,614
Providers of other activities	32,956	45,938
Amounts due to employees	18,392	16,143
Other liabilities	1,329,697	1,381,401
Total	3,424,075	3,855,244

As of December 31, 2025 and December 31, 2024, the outstanding debts on the energy market in the amount of 1,676,250 and 2,253,148, respectively, have the following structure:

	December 31, 2025	December 31, 2024
Providers - electricity market, of wich:		
-providers - operational activity	1,078,790	1,496,225
-providers - balancing market	517,983	711,977
-providers- bonus type support scheme to promote high efficiency cogeneration	79,477	44,946
Total	1,676,250	2,253,148

The suppliers on the electricity market are mainly represented by: MAVIR, IBEX, Hidroelectrica SA, Electrica Furnizare SA, Romanian Commodity Exchange, Oltenia Energy Complex SA, Electrocentrale București, OPCOM, CIGA Energy SA, Joint Allocation Office. As of December 31, 2025, their share of total energy suppliers is 81.53% (86.30% as of December 31, 2024).

The decrease in the balance of "debts related to operational activity" in the analyzed period was influenced by the model of price formation based on supply and demand for the coupling of the electricity market. The default allocations, in which capacity and energy are provided for simultaneously, have been influenced by changes in the price of electricity on European stock exchanges.

The decrease in the balance of "balancing market debts" was driven by the decrease in the volume of transactions recorded on the balancing market in the fourth quarter of 2025, compared to the fourth quarter of 2024.

The increase in the "debts related to the support scheme" to suppliers (producers) was determined by the increase in the value of the monthly bonus for high-efficiency cogeneration in December 2025, compared to December 2024.

As of December 31, 2025, there are payment obligations to suppliers (producers) in the amount of 3,369 to CET Govora SA (monthly cogeneration bonus and pre-overcompensation for 2015). The amounts representing the Company's debts related to the support scheme to CET Govora were withheld for payment based on art. 17 para. 5 of the Order of the President of ANRE no. 116/2013, as the supplier (the producer) has payment obligations towards the Company on the bonus support scheme.

The company asked the supplier (producer) who did not pay the overcompensation invoices, the agreement to compensate the mutual debts at their minimum level through the Institute of Management and Informatics (IMI) which managed unitarily all the information received from taxpayers, based on the provisions of GD no. 773/2019.

CET Govora did not agree with this method of extinguishing mutual receivables and debts, which is why the Company has applied and continues to apply the provisions of art. 17 para. 5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency cogeneration: "if the producer has not paid in full to the administrator of the support scheme the resulting payment obligations in accordance with the provisions of this Regulation, the administrator of the support scheme shall pay the producer the difference between the value of the invoices issued by the producer and the payment obligations of the producer related to the support

scheme, with the explicit mention, on the payment document, of the respective amounts" and withheld from payment the amounts related to the support scheme due.

CNTEE Transelectrica SA has concluded with CET Govora SA an agreement for the compensation and rescheduling of the amounts representing receivables from the value of the overcompensation for 2011-2013 and the undue bonus for 2014 (Agreement no. C 135/30.06.2015 and Addendum no. 1/04.08.2015). The duration of the Agreement was 1 year (July 2015-August 2016) and provided for the Company's right to calculate and collect penalties during the payment rescheduling period.

Based on the Agreement, the Company's receivables to be collected 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 retained by applying the provisions of art. 17 paragraph 5 of the Order of the President of ANRE no. 116/2013 and the provisions of the Convention, in the amount of 40,507,669.

Following the suspension in court, by Civil Sentence no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014 by which the value of the overcompensation for the period 2011-2013 was established, CET Govora SA no longer complied with the obligations assumed by the Convention. Starting with May 9, 2016, the general insolvency procedure was opened for CET Govora. Considering the provisions of Law no. 85/2014 - Insolvency Law, the Company has stopped, starting with May 9, 2016, the application of the provisions of art. 17.5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency cogeneration and pays monthly to CET Govora the cogeneration bonus due by it. By Civil Decision no. 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal filed by ANRE against the Civil Sentence no. 3185/27.11.2015, partially quashed the appealed sentence and rejected the request for suspension made by CET Govora. Thus, starting with 05.10.2016, the effects of ANRE Decision no. 738/28.03.2014 are no longer suspended, producing full effects.

Under these conditions, the Company applies the provisions of art. 17 paragraph 5 of ANRE Order no. 116/2013 for the debts and mutual receivables arising after the insolvency procedure, in the sense of withholding the bonus due to CET Govora SA up to the amount of the amounts related to the unpaid support scheme to the Company.

The increase in the balance of "fixed asset suppliers" as of December 31, 2025 compared to December 31, 2024 was due to the purchases of fixed assets that were received towards the end of the year, but for which the payment term is in 2026.

Debts to "other activity providers" are mainly represented by debts related to services provided by third parties, which have not reached maturity, debts that have decreased compared to December 31, 2024.

As of December 31, 2025, the Company has no outstanding debts to suppliers (state budget, local budget or other public institutions).

The structure of the liabilities recorded in "other liabilities" is presented as follows:

	December 31, 2025	December 31, 2024
Various creditors	235,434	385,573
Client-creditors	683,811	850,989
Dividends to pay	622	134
Other liabilities	409,830	144,705
Total	1,329,697	1,381,401

➤ "Miscellaneous creditors", amounting to **235,434** as of December 31, 2025 (**385,573** as of December 31, 2024), mainly represent:

- the net position of the support scheme for high-efficiency cogeneration, debt position, in the amount of 204,964.

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 value of the overcompensation of the activity of producing electricity and heat in high-efficiency cogeneration, the undue bonus to be collected from the producers, according to ANRE decisions, on the one hand, and

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

- ✓ the amount of the cogeneration bonus, the pre-overcompensation and the bonus not granted to be paid to the producers of high-efficiency cogeneration energy, beneficiaries of the support scheme, on the other hand;
 - 26,240 contracts for solution studies for the connection to the RET;
 - 1,938 royalty in the fourth quarter of 2025;
 - 1,219 guarantees for participation in auctions, performance guarantees and others.
- The "creditor customers", as of December 31, 2025, are in the amount of **683,811 (850,989** as of December 31, 2024), of which 667,488 represent amounts received in advance in transactions related to price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling), FBMC (Flow Based Market Coupling) and IDA (Intra Day Auction), from: BRM (411,669), IBEX (151,579), MAVIR (67,667), OPCOM (35,506) and JAO (1,066).
- As of December 31, 2025, the dividends due to the Company's shareholders and unpaid are in the amount of **622 (134** as of December 31, 2024). These amounts are available to shareholders through the paying agent.
- "Other debts", in the amount of **409,830 (144,705** as of December 31, 2024), are mainly represented by the guarantees of good payment of contracts on the electricity market concluded by CNTEE Transelectrica SA in the amount of 372,524, VAT not payable during the reporting period in the amount of 34,996 and others.

b) LEASING OBLIGATIONS

As of December 31, 2025 and December 31, 2024, **the liability for fixed assets related to the rights to use leased assets**, according to the provisions of IFRS 16 – Leasing contracts, has the following maturities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Within 1 year	3,629	7,328
Between 1 and 5 years	3,181	1,604
Over 5 years	-	-
Total	<u>6,810</u>	<u>8,932</u>

18. Provisions

On 31 December 2025 and 31 December 2024, the situation of provisions is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Provisions for litigation	24,199	25,885
Provisions for mandate contracts	8,405	8,600
Provisions for guarantees granted to customers	3,341	-
Other provisions	2,454	1,468
Total	<u>38,399</u>	<u>35,953</u>

As of December 31, 2025 and December 31, 2024, the evolution of provisions is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance on January 1	35,953	67,191
Provision recognition	7,778	10,806
Reversal of provisions	(5,331)	(42,045)
Total	<u>38,399</u>	<u>35,953</u>

The provisions for disputes outstanding on 31.12.2025, in the amount of **24,199**, are mainly represented by the provisions constituted for the following disputes:

- The file no. 36755/3/2018 – plaintiff Conaid Company SRL (17.216) – more details on this file are

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

presented in Note 30 – Commitments and quotas.

- *The file no. 15561/3/2022 – applicant SMART SA (4.467) – more details on this file are presented in Note 30 – Commitments and quotas.*
- *File no. 3083/3/2020 - plaintiff NUCLEARELECTRICA SA (1.473)*

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

After several deadlines in which the case was postponed (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 applicant the amount of 1,291 lei, as compensatory damages, to pay the update of this amount with the inflation rate from 27.09.2018 and until the date of actual payment, to the payment of the amount of 182 lei representing the legal penalty interest calculated from 27.09.2018 to 31.01.2020, as well as to the further payment of the legal penalty interest, calculated from 01.02.2020 and until the date of actual payment. It also ordered the defendant to pay the plaintiff the sum of 23 lei, as court costs, consisting of judicial stamp duty. It rejected the defendant's request for the payment of costs, as unfounded.

CNTEE Transelectrica SA filed an appeal. At the hearing of 25.11.2021, the Bucharest Court of Appeal admitted the appeal. Partially changes the appealed civil sentence, in the sense that: Rejects as unfounded the request for summons. Maintains the order of the first instance rejecting as unfounded the defendant's claim for the payment of costs. Orders the respondent-applicant to pay the appellant-defendant the sum of 21 as costs on appeal.

Nuclearelectrica filed an appeal, an appeal that was suspended until the resolution of the action for annulment of the order. Deadline 12.10.2022.

Pursuant to art. 413 para. (1) item 1 of the Civil Procedure Code, suspends the judgment of the appeal filed by the appellant-applicant Societatea Națională Nuclearelectrica S.A. against the civil decision no. 1927/A/25.11.2021, pronounced by the Court of Appeal of Bucharest – Civil Section VI, until the final resolution of the file no. 2659/2/2020, pending before the High Court of Cassation and Justice – Administrative and Tax Litigation Section. Definitive.

"Provisions for mandate contracts", in the amount of 8,405 as of December 31, 2025 (8,600 as of December 31, 2024), represent:

- the remuneration representing the variable component, the non-compete compensation and that related to the gross monthly fixed allowances remaining until the end of the mandate for the revoked members of the Supervisory Board/Executive Board, respectively for the 2020-2024 mandates.

19. Corporate income tax

The corporate income tax for the years 2025 and 2024 is presented as follows:

	December 31, 2025	31 December 2024
Expenses with current income tax	25,985	44,377
Deferred tax expense/ (income)	(32,805)	(45,188)
Global Minimum Tax Expense Group	(5,613)	5,613
Total	(12,433)	4,802

The Company's current and deferred corporate income tax for the years 2025 and 2024 is determined at a statutory rate of 16%, being in force in 2025 and 2024.

The global minimum tax, applicable starting with 2024 according to Law no. 431/2023 *on ensuring a global minimum level of taxation of multinational enterprise groups and large national groups*, was initially recognized and registered in the financial year 2024 with the amount of 5,613, tax for which the obligation to declare and pay is until 30.06.2026. The global minimum tax was determined on the basis of the legislation applicable at the time of the calculations, taking into account additional guidance provided by the Organisation for Economic Co-operation and Development (OECD), as a source of interpretation, in order to ensure the consistent application of the legislation in force.

Subsequently, in 2025, based on the additional clarifications brought to Law 431/2023, the national supplementary tax according to the ODMTT rules falls under the provisions of Art. 53, so that large

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

national or multinational groups in the initial phase of international activity benefit from a reduction to zero in the tax in the first 5 years from the moment they enter the scope of the law.

Thus, following the reanalysis of the situation, in the context of the additional clarifications brought to these legal provisions and taking into account the correspondence received from ANAF, it was found that the global minimum tax applicable to the company is reduced to zero. Therefore, the amount recorded in 2024 with the global minimum tax was reversed in 2025, ensuring compliance with the applicable legal framework, accounting compliance and the faithful presentation of the company's financial position and profit and loss account, at the date of preparation of the financial statements.

Based on the amendments to IAS 12 – "Corporate Tax", the Company did not recognize deferred tax in relation to the minimum effective tax related to the group.

Reconciliation of the effective corporate income tax rate:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Corporate income tax at the statutory rate at a rate of 16%	61,328	102,441
Effect of non-deductible expenses	20,731	29,396
The effect of non-taxable income	(17,125)	(40,767)
Taxable revaluation reserve	30,532	45,010
Reinvested profit	(37,662)	(6,169)
Legal reserve	(22)	(53)
Temporary differences	(32,805)	(45,188)
Global Minimum Tax – TEL Group	(5,613)	5,613
Other effects	(31,797)	(85,480)
Net income tax expense	(12,433)	4,802

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

DEFERRED CORPORATE INCOME TAX

The movement table regarding the debt with taxes deferred in 2025 and 2024 is presented as follows:

Elements	Balance as of December 31, 2023	Recognized in profit and loss	Recognized directly in OCI	Balance as of December 31, 2024	Recognized in profit and loss	Recognized directly in OCI	Balance as of December 31, 2025
Tangible assets - lifespans	42.144	864	-	43.008	22.486	-	65.494
Property, plant and equipment – revaluation reserves	290.843	(47.061)	6.014	249.797	(30.820)	787	219.765
Tangible assets financed from subsidiaries	(6.237)	(1.310)	-	(7.547)	(813)	-	(8.360)
Obligations regarding employee benefits	(15.716)	(2.869)	-	(18.585)	2.701	-	(15.884)
Estimated interconnection	(5.760)	4.560	-	(1.200)	400	-	(800)
Provisions for litigation	(4.254)	(543)	-	(4.797)	(693)	-	(5.489)
Inventory adjustments	(2.217)	244	-	(1.973)	(532)	-	(2.505)
Other elements	(11)	(11)	-	(22)	67	-	45
Production supplier estimates	(2.448)	937	-	(1.511)	924	-	(587)
Receivables adjustments	-	-	-	-	(25.755)	-	(25.755)
Assets in progress	-	-	-	-	(475)	-	(475)
Adjustments to shares held	-	-	-	-	(295)	-	(295)
Tax (asset)/liability	296.344	(45.189)	6.014	257.169	(32.805)	787	225.152

	Active		Debt		Net	
	December 31 2025	December 31 2024	December 31 2025	December 31 2024	December 31 2025	December 31 2024
Tangible assets - lifespans	(4.392)	(50.101)	69.886	93.109	65.494	43.007
Property, plant and equipment – revaluation reserves	(30.820)	(47.061)	250.584	296.858	219.765	249.797
Tangible assets financed from subsidiaries	(1.183)	(9.179)	(7.177)	1.632	(8.360)	(7.547)
Obligations regarding employee benefits	(15.884)	(18.585)	-	-	(15.884)	(18.585)
Estimated interconnection	(800)	(1.200)	-	-	(800)	(1.200)
Provisions for litigation	(5.489)	(4.797)	-	-	(5.489)	(4.797)
Inventory adjustments	(2.505)	(1.973)	-	-	(2.505)	(1.973)
Other elements	45	(22)	-	-	45	(22)
Production supplier estimates	(587)	(1.511)	-	-	(587)	(1.511)
Receivables adjustments	(25.755)	-	-	-	(25.755)	-
Assets in progress	(475)	-	-	-	(475)	-
Adjustments to shares held	(295)	-	-	-	(295)	-
Net tax (asset)/liability	(88.141)	(134.430)	313.293	391.598	225.152	257.169

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

20. Earnings per share

As of December 31, 2025 and December 31, 2024, the earnings per share are:

	December 31, 2025	December 31, 2024
Result of the exercise from continuous operations	364,499	580,108
Number of ordinary shares at the beginning and end of the period	73,303,142	73,303,142
Basic and diluted earnings per share (lei/share)	4.97	7.91

21. Other taxes and obligations for social security

On 31 December 2025 and 31 December 2024, other taxes and obligations for social security include:

	December 31, 2025	December 31, 2024
Contribution to social security funds	15,967	18,859
VAT payable	2,485	1,706
Payroll tax	2,882	3,681
Other taxes payable	1,252	1,291
Total	22,585	25,537

As of December 31, 2025, the Company has payment obligations for contributions to social security funds, payroll tax and other taxes, obligations that were paid in January 2026 (minus the amount of RON 17,326 representing the work insurance contribution related to unused leave).

22. Operating income

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

As regards the moment of revenue recognition, the services related to the energy market provided by the Company are transferred to the customer in time, and the payment terms are in accordance with the contractual provisions, there is no significant financial component, taking into account that the due date is less than one year. Also, contracts with customers according to IFRS 15 do not contain variable items.

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

	Tariff for the transmission service for the introduction of electricity into the electricity transmission network (TG)	Tariff for the transmission service for the extraction of electricity from the networks (TL)	Average Freight Rate	Tariff for System Service
Order no. 60/26.08.2025 for the period 01 September – 31 December 2025	-	-	-	12.79
Order no. 21/27.05.2025 for the period 01 June – 31 August 2025	-	-	-	7.04
Order no. 99/20.12.2024 for the period 01 January – 31 December 2025	3.29	33.03	-	-
Order no. 57/28.08.2024 for the period 01 September 2024 – 31 May 2025	-	-	-	11.51
Order no. 15/29.05.2024 for the period 01 June – 31 August 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 – 31 December 2024	-	-	31.67	-

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

Starting with January 1, 2025, ANRE approves the tariff for the transmission service only on the two components: the tariff for the introduction of electricity into the transmission network (TG) and the tariff for the extraction of electricity from the networks (TL), according to ANRE Order no. 99/20.12.2024.

Modification of the tariff value for the system service from 01 September 2025 by ANRE Order no. 60/26.08.2025 was determined by the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff that entered into force on June 1, 2025 (ANRE Order no. 21/27.05.2025), in accordance with the provisions of the regulatory framework issued by ANRE.

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

	December 31, 2025	December 31, 2024
Amount of electricity delivered to consumers (MWh)	51,730,518	51,824,802

The operating revenues achieved in 2025 and 2024 are presented as follows:

	December 31, 2025	December 31, 2024
Transmission revenues	1,854,503	1,619,446
Revenues from the allocation of interconnection capacities	337,165	282,080
Revenues from reactive energy	1,868	1,660
Inter TSO Compensation (ITC) revenues	23,884	25,790
Revenues from transactions with own technological consumption	45,834	95,481
Total revenues from electricity transmission	2,263,255	2,024,457
Revenues from system services	564,253	571,078
Emergency energy assistance to neighboring	9,533	62,199
Total revenues from system services	573,786	633,277
Revenues on the balancing market	2,676,211	4,965,724
Income from other services and other operating income	101,248	178,498
Grid losses anticipatory tariff income	924	102,020
Other revenues	102,172	280,518
Total revenue	5,615,424	7,903,976

We present the situation of customers with over 10% of the Group's total revenues recorded in 2025 and 2024, respectively:

		December 31, 2025		December 31, 2024
CIGA ENERGY SA	1,010,478	18%	1,580,194	20%
ELECTRICA FURNIZARE SA	641,396	11%	1,129,433	16%
HIDROELECTRICA SA	634,306	11%	956,674	14%
CINTA ENERGY SA	471,727	8%	1,246,053	12%
<i>Revenue from the transport service</i>				

Revenues from the transmission service increased in 2025 compared to 2024 by **235,056**, determined by the increase in the tariff for the transmission service approved by ANRE (cf. the table on tariffs approved by ANRE for the analyzed period, presented above), given the decrease in the amount of electricity delivered to consumers by 0.18%, respectively by 94,284 MWh.

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

Revenues from the allocation of interconnection capacity

Revenues from the allocation of interconnection capacity increased in 2025 compared to 2024 by 55,085, corresponding to the level of use of interconnection capacity availabilities by traders on the electricity market.

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

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

On June 8, 2022, the Core FB MC (Core Flow-Based Market Coupling) project was commissioned, thus initiating the day-ahead market coupling based on flows in the Core capacity calculation region. The flow-based market coupling mechanism optimises the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

Starting with October 27, 2021, the Romania-Bulgaria border was integrated into the single day-ahead coupling (SDAC), with the cross-border capacity between Romania and Bulgaria being allocated implicitly.

Starting with November 2019, the 2nd wave of the Single Intraday Coupling (SIDC) solution took place. The Single Intraday Market Coupling Mechanism ensures the continuous harmonisation of the bids of market participants in a bidding zone with bids to bid within its own bidding zone and from any other bidding zone where cross-border capacity is available. Thus, explicit intraday auctions are only on the borders with Serbia and Moldova, and on the borders with Bulgaria and Hungary they are implicit (within the SIDC).

On March 18, 2025, the IDA (Intraday Auctions) project for Romania's bidding borders (Romania-Bulgaria and Romania-Hungary) was launched. In accordance with Article 55 of Commission Regulation (EU) 2015/1222 of 24 July 2015 laying down guidelines on capacity allocation and congestion management, intraday capacity pricing is required. Thus, based on ACER Decision no. 01/2019 on the Methodology for pricing intraday cross-zonal capacity, a tender mechanism was introduced to meet this objective. This is the so-called intraday auction – 'IDA' which stands for the default intraday trading auction for the simultaneous matching of orders from different bidding zones and the allocation of available intraday straddling capacity at the borders of the bidding zone by applying a market coupling mechanism. In August 2025, the second NEMOE in Romania – the Romanian Commodity Exchange – was successfully integrated.

The use of the net revenues from the allocation of the interconnection capacity shall be made in accordance with the provisions of ANRE Order no. 68/2024 and Regulation (EU) 2019/943 of 5 June 2019 on the internal electricity market, as a source of financing investments for the modernization and development of interconnection capacity with neighboring systems.

Starting with 2025, by ANRE Decision no. 2624/10.12.2024 *for approving the way to cover the expenses forecast for 2025 from the revenues obtained from the allocation of cross-border interconnection capacity*, it was approved to carry out RET maintenance expenses for certain major maintenance and minor maintenance projects, from the revenues obtained from the allocation of cross-border interconnection capacity.

The extension of market coupling has the effect of standardising energy prices in Europe, which is also one of the main objectives of Regulation (EU) 2015/1222 'laying down guidelines on capacity allocation and congestion management'.

Revenue by Inter TSO Compensation (ITC)

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

As of July 1, 2024, Ukraine joined the BTI mechanism and was no longer considered a perimeter country. Therefore, the exchanges taken into account were only those with the Republic of Moldova.

Thus, in 2025, the revenues recorded following the application of the ITC mechanism registered a decrease of 1,906 compared to 2024, with the following mentions:

- ✓ although the energy exchanges with the perimeter countries taken into account were only those with the Republic of Moldova, they increased by about 2.4 times (from 1,040,652 MWh in 2024 to 2,512,948 MWh in 2025);
- ✓ the value of the tariff for exchanges with perimeter countries was 2,5 EUR/MWh until 14 May 2025, respectively 1,5 EUR/MWh from 15 May 2025, compared to 3 EUR/MWh in 2024;
- ✓ exceptionally, in 2024, revenues were also recorded from the monthly settlements of March and May

Revenue from CPT transactions

The revenues from energy trading for CPT are obtained from the sale of surplus energy at a positive price and from the purchase of deficit energy at a negative price, resulting from the difference between the long- and medium-term forecast and the short-term forecast (on each settlement interval) on the Intraday Market administered by OPCOM and, respectively, from the difference between the forecasted CPT and the actual CPT achieved (on each settlement interval) on the Balancing Market.

These revenues were lower in 2025 compared to 2024 with the amount of 49,646.

The revenues obtained from transactions on the Intraday Market were higher than those achieved in the previous year, as a result of the increase in energy sold on the intraday market following the forecast corrections as close as possible to the moment of delivery, as well as the increased prices on this market compared to 2024.

The revenues obtained from transactions on the Balancing Market were significantly lower, given that the CPT recorded in 2025 was lower than in the previous year. Given the increase in the share of solar and wind energy production, there is an increase in energy supply in peak ranges and in the share of very low and even negative price ranges for prices in short-term markets.

System Services Revenue

Revenues from system services decreased in 2025 compared to 2024 by 6,824, determined both by the decrease in the tariff approved by ANRE for these services (cf. the table on tariffs approved by ANRE for the analyzed period, presented above), and by the decrease in the amount of electricity delivered to consumers by 0.18%, respectively by 94,284 MWh.

In accordance with the provisions of the regulatory framework issued by ANRE, the approved tariff for system services was modified during 2025 due to the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff that entered into force on September 1, 2024.

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

Income from emergency aid

At the request of the neighboring TSOs, during 2025, emergency aid in the total amount of 9,533 was granted to Ukraine (October, December), the Republic of Moldova (October, November, December) and Serbia (March), to provide the energy necessary to cover domestic consumption in these countries, against the background of armed conflicts on the territory of Ukraine, respectively accidental stops of groups from neighboring countries, etc. These revenues were lower in 2025 compared to 2024 with the amount of 52,666.

Income on the balancing market

The revenues achieved on the balancing market registered a significant decrease in 2025 compared to 2024, with the amount of 2,285,514, mainly determined by the following aspects:

- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- the evolution of hydraulics;
- the evolution of electricity production and consumption;
- the evolution of the production of the plants in the trial period;
- accelerated increase in installed power at prosumers;
- improving the control/monitoring at the level of suppliers for the production of prosumers they have in their portfolio and increasing their concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position.

Revenues from capitalization of own technological consumption (CPT)

According to 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 between April 1, 2022 and March 31, 2023, as well as for the amendment and completion of certain normative acts in the field of energy, and approved by Law no. 357/13.12.2022, as subsequently amended and supplemented*, For licensed economic operators, providers of electricity transmission services, the additional costs with the purchase of electricity incurred between January 1, 2022 and March 31, 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, are capitalized quarterly, and the assets resulting from the capitalization are amortized over a period of 5 years from the date of capitalization.

Thus, as of December 31, 2025, the Company recorded revenues from the capitalization of CPT in the amount of 924, representing additional CPT calculated as the difference between the net cost of the acquisition of CPT and the cost of CPT included in the regulatory tariff, for the period January 1 – March 31, 2025.

23. Expenses for system operation and balancing market

The expenses for the operation of the system and in the balancing market made in 2025 and 2024 are presented as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expenses on own technological consumption	541,398	609,330
Congestion expenses	-	107
Expenses for the electricity consumption in RET substations	38,508	45,850
RED transit CPT expenses (ANRE decision)	17,443	12,840
ITC expenses (Inter TSO Compensation)	43,474	47,486
Total system operating expenses	640,831	715,613
Expenses regarding system services	705,985	523,611
Balancing market expenses	2,676,254	4,965,535
Total	4,023,069	6,204,759

Expenditure on own technological consumption

These represent expenses with the purchase of electricity from the free electricity market, namely the Centralized Market of Bilateral Contracts (PCCB), the Day-Ahead Market (PZU), the Balancing Market (PE) and the Intraday Market (IP) for covering the own technological consumption (CPT) in the electricity transmission network (RET).

Expenditures on own technological consumption were lower by 67,925 in 2025 compared to 2024, taking into account a number of aspects, as follows:

- ✓ due to its characteristics, the Own Technological Consumption (CPT) in the Electricity Transmission Network (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 network and on the interconnection lines with neighboring electricity systems, its value being very little to no controllable in the conditions of a regional energy market interconnected and coupled;

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

- ✓ as a result of weather conditions and flows on interconnection lines, the CPT value recorded in 2025 was lower than that recorded in the previous year;
- ✓ the elimination of the centralized electricity purchase mechanism (MACEE) with regulated price from April 1, 2024, as well as the elimination of the electricity and gas price cap schemes starting with July 1, 2025 led to price increases on the markets in the short term;
- ✓ The increase in prices on the European energy market, the reduction of domestic capacities based on conventional fuels and the dependence on volatile production from renewables increase the dependence on imports during periods of high demand and thus the price on the spot market. Thus, the average price of energy purchased from the PZU in 2025 was higher than the price of the previous year;
- ✓ The price of the PZU depends very much on the weather conditions (drought, precipitation, extreme phenomena) and on the prices on the European market. The Day-Ahead Market is an unpredictable market, with a high degree of volatility, prices can increase by 30-40% within a week;
- ✓ Starting with July 1, 2024, a series of amendments to the Regulation on terms and conditions for parties responsible for balancing entered into force, in accordance with the requirements of the European codes, which led to very high prices on the Balancing Market. These prices present a high degree of volatility and uncertainty, which can vary greatly, but are still below the maximum values of 2024. The own technological consumption recorded in the analyzed period was lower than in the previous year, leading to lower costs resulting from covering energy imbalances in this market compared to 2024.

Expenditure on electricity consumption at RET and RED stations

In order to carry out the activity of transmitting electricity in the power stations and operating the National Electricity System in safe conditions, CNTEE Transelectrica SA must purchase electricity to cover the consumption related to the internal services in the high voltage power stations under the Company's administration. These expenses decreased by 7,341 in 2025 compared to 2024.

CPT RED transit expenses (cf. ANRE decision)

In 2025, CPT expenses related to additional electricity transits from the networks of the concessionaire distribution operators at the voltage level of 110 kV (for the quota assigned to the TSO) were recorded in the amount of 17,443, higher by 4,603 compared to 2024. By ANRE decisions no. 2780/20.12.2024 and no. 2781/20.12.2024, the quantities forecasted by CPT and the corresponding costs related to the additional electricity transits from the 110 kV electricity networks for 2025 were approved, for the companies Rețele Electrice România S.A. and Distribuție Energie Oltenia S.A.

Expenses with Inter TSO Compensation (ITC)

The ITC expenses represent the monthly payment obligations/collection rights for each transmission system operator (TSO). These shall be established within the mechanism for compensation/settlement of the effects of the use of the electricity transmission network (RET) for electricity transits between TSO operators from the countries that have acceded to this mechanism within ENTSO-E. In 2025, these expenses were lower by 4,011 compared to 2024.

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

Expenditure on system services (balancing capacity)

Expenditure on system services registered a significant increase in 2025 compared to 2024 in the amount of 182,373.

The acquisition of the balancing capacity is carried out based on the needs established by the National Energy Dispatch which is responsible for ensuring the stability and safety of the operation of the SEN, in accordance with the provisions of ANRE Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization reserve providers and the Regulation on the terms and conditions for the parties responsible for balancing and for the modification and repeal of some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and completions.

In 2025, CNTEE Transelectrica SA contracted Reactive Energy from the Company for the Production of Electricity in Hydropower Plants "Hidroelectrica" SA., in accordance with:

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CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

- ANRE decision no. 2281/29.10.2024 regarding the granting of the derogation for the transmission and system operator to the market-based acquisition of the reactive electricity service for the regulation of the voltage in the network;
- CNTEE Transelectrica SA decision no. 218/12.12.2024 approving the maximum prices for the purchase of the reactive energy system service related to the voltage regulation in the electricity transmission network;
- achievements confirmed by the National Energy Dispatch.

We specify that in accordance with the trend observed on the balancing market, there has been a sharp increase in the purchase price of the Fast Tertiary Reserve - power reduction starting with May 2025. If in the first five months of the year the average prices oscillated between 15 and 23 lei/hMW, in June 2025 there was an explosion of values, with a general average of over 108 lei/hMW. This increase is not justified either by significant changes in supply or demand or by objective technical factors, but represents a sudden and unilateral change in the bidding behaviour of a small group of participants. The offers submitted by certain producers in June 2025 reached values between 100 and 999 lei/hMW, with repeated prices of 500, 700 and even 999 lei/hMW. Producers such as CE Oltenia, Electrocentrale Craiova, BEPCO, INGKA Investments Renewable Energy Romania and True Energy Management had a completely divergent behavior compared to the other months, in which the same existing bidders on the market had prices around 15 lei/hMW.

Also, from September 2025 to December 2025, there was a steep reduction in the purchase price of the Rapid Tertiary Reserve - power reduction from 213.11 lei/hMW to 4.69 lei/hMW. This reduction is justified by the resizing of reserves at the DEN level and by the bidding behavior of market participants.

On the balancing capacities market, in line with the trend of evolution on the balancing market in 2025, there was a downward trend in the purchase price for RRFa in growth and power reduction and an upward trend in the purchase price for RRFm in terms of power reduction between May 2025 and August 2025, respectively a trend of steep reduction of the purchase price for RRFm to power reduction between September 2025 and December 2025:

- the average purchase price in the first half of 2025, for the increasing RRFa – RON 60.54/hMW, and in the second half of 2025 – RON 33.34/hMW;
- the average purchase price in the first half of 2025, for the RRFa at a discount – 62.76 lei/hMW, and in the second half of 2025 – 23.05 lei/hMW;
- the average purchase price in the first half of 2025, for RRFm increasing – 36.57 lei/hMW, and in the second half of 2025 – 37.54 lei/hMW;
- the average purchase price in the first half of 2025, for RRFm at a discount – 32.57 lei/hMW, and in the second half of 2025 – 137.11 lei/hMW.

Balancing market expenditure

The expenses on the balancing market made in 2025, in the amount of 2,676,254, were significantly lower, respectively by the amount of 2,289,282, compared to those achieved in 2024. These expenses result from the notifications/achievements 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 evolution of the electricity market and the way of contracting on the markets prior to the balancing market.

24. Amortization

	December 31, 2025	December 31, 2024
Expenses with the depreciation of the tangible and intangible fixed assets	301.970	288.595
Expenses with the depreciation of the intangible fixed assets – additional Grid Losses	90.995	74.479
Expenses with the depreciation of the assets related to the rights of use of the leased assets	9.557	8.719
Total	402.522	371.792

Expenses with the depreciation of tangible and intangible assets in the amount of **301,970** (288,595 as of December 31, 2024) represent the depreciation recorded in 2025, calculated at the fair value of assets as at December 31, 2024, correlated with the commissioning of investment works and the receipt of assets.

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

Expenses with the depreciation of intangible assets – additional CPT in the amount of 90,995 (74,479 as of December 31, 2024), were recorded in accordance with the provisions of OMF no. 3900/2022 on the approval of accounting specifications in application of the provisions of art. 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 between April 1, 2022 and March 31, 2023, as well as for the amendment and completion of certain normative acts in the field of energy.

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

Depreciation expenses of intangible assets recognised in accordance with IFRS 16 amounted to 9,557 (8,719 as of December 31, 2024). The group partially operates in rented office spaces. According to IFRS 16 – Leasing Contracts, the right to use the spaces leased by the Company in the Platinum office building in 2-4 Olteni Street is recognized 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 expenses of tangible and intangible assets". At the same time, starting with 2025, the right of use related to vehicles entered through a leasing contract is recognized.

25. Personnel expenses

	December 31, 2025	December 31, 2024
Personnel expenses, of which:	541,951	489,463
<i>Expenses with employees' salaries</i>	<i>457,326</i>	<i>432,040</i>
<i>Social expenditure</i>	<i>15,734</i>	<i>16,007</i>
<i>Expenses with vouchers granted to employees</i>	<i>23,743</i>	<i>24,145</i>
<i>Expenses related to the mandate contract and other committees, commissions</i>	<i>6,680</i>	<i>6,214</i>
<i>Expenditure on insurance and social protection</i>	<i>40,784</i>	<i>32,826</i>
<i>Provisions constituted/(reversals) for salary and similar expenses</i>	<i>(2,270)</i>	<i>(21,761)</i>
<i>Other expenses</i>	<i>(46)</i>	<i>(8)</i>

The total personnel expenses incurred in 2025 register an increase of 52,488 compared to 2024, mainly determined by:

- the increase of some items of expenses, such as: expenses with staff salaries, expenses related to mandate contracts, expenses related to insurance and social protection according to the applicable legal provisions;
 - updating the provisions constituted for the revoked executive and non-executive directors, representing compensations based on the mandate contracts concluded in 2020 for the period 2020-2024 (according to the actuarial calculation);
 - the resumption to income of a part of the provisions constituted for the revoked executive and non-executive directors, representing the variable component related to the packages of OAVTs allocated and not capitalized during the mandates executed in the period 2013-2017 and compensations provided for in the mandate contracts concluded in 2020 for the period 2020-2024, simultaneously with the payments made based on the enforceable court sentences, received by the Company;
 - updating the provision for employee benefit obligations (as actuarially calculated).
- ii) Number of employees*

As of December 31, 2025 and December 31, 2024, the actual number of employees with an individual employment contract of indefinite duration is as follows:

Number of employees	December 31, 2025	December 31, 2024
Transelectrica SA	2,018	2,026
Smart SA	599	599
Teletrans SA	235	234

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

26. Other operating expenses

	December 31, 2025	December 31, 2024
Other expenses with services provided by third parties	160,092	142,963
Postal and telecommunication expenses	1,229	1,255
Expenses with royalties and rents	8,140	7,115
(Revenues)/ Expense net for impairment adjustments for current assets	-	(12,722)
Other expenses	26,005	34,692
Total	195,466	173,302

In 2025, these expenses registered an increase in amount compared to 2024, mainly determined by the variation of some expense items, such as:

- increasing expenditure on taxes, fees and similar payments, by introducing the construction tax in 2025, in accordance with the provisions of GEO no. 156/2024 on some fiscal-budgetary measures in the field of public expenditures for substantiating the consolidated budget for 2025, for amending and supplementing some normative acts, as well as for the extension of certain deadlines;
- increasing other expenditure elements, such as: expenditure on civil protection and security, expenditure on the implementation of pan-European codes, expenditure on Teletrans maintenance, expenditure on insurance premiums, expenditure on international contributions, etc.;
- the increase in royalty and rent expenses, of which in 2025 there were 7,513 royalty expenses, 933 higher compared to 2024;
- the recognition on the Company's operating costs of three exits from tangible assets in progress, as presented in Note no. 5 "Tangible assets";
- reduction of some elements of expenses, such as: expenses related to goods (recovery of waste resulting from carrying out maintenance/refurbishment/modernization works of stations), expenses related to administrative energy consumption, travel expenses, expenses with staff training, etc.;
- the reduction of the expenses related to the OAVTs paid on the basis of the enforceable court decisions issued by the court (the performance bonus related to the OAVT Certificates granted to the former executive and non-executive members and not redeemed, remuneration according to the mandate contracts concluded between 2013 and 2017) and of the expenses paid on the basis of the enforceable court decisions issued by the court granted to the revoked former executive and non-executive members, representing compensations provided for in the mandate contracts concluded in 2020, for the period 2020-2024.

Rental expenses represent amounts related to rents that do not meet the recognition criteria related to IFRS 16 (concession contract, land rental expenses, various spaces) and are recognized in the profit and loss account. Of the total rent expenses, the value of the royalty is 7,513.

A 10% increase in gross revenues from electricity transmission and transit operations would have represented an increase in royalty expenses of 751 for 2025 and 658 for 2024.

The concession contract is for 49 years, the royalty is paid quarterly and the royalty expense is recorded monthly. In 2024, there was a royalty expense in the amount of 6,581 lei.

In 2025, the item (Revenues)/Net operating expenses regarding adjustments for the impairment of current assets in the amount of 10,252 is presented differently, respectively in Note 10 Net adjustments for impairment of receivables in the amount of 6,452 and in Note 9 (Gains) / Inventory impairment losses in the amount of 3,343.

27. Other gains or losses

	December 31, 2025	December 31, 2024
(Gains) / Losses on the sale of property, plant and equipment	2,812	-
(Gains) / Impairment losses on tangible assets	(7,227)	-
(Gains) / Losses on exchange rate differences operating activities	828	-
(Gains) / Losses on provisions for other operating expenses	(261)	-
Total	(3,848)	-

In 2025, a new explanatory note was drawn up for the separate reflection of other operating gains or losses. For compliance and comparability with the current presentation, the amounts for 2024 were also reflected in a total amount of 3,294, as follows:

- (Gains) / Losses from the sale of tangible assets in the amount of 2,136
- (Gains) / Impairment losses on tangible assets in the amount of 9
- (Gains) / Losses on provisions for other operating expenses in the amount of 1,149.

In 2025, these expenses registered a decrease compared to 2024, mainly determined by the recording of operating expenses with losses on receivables (AUTONOMOUS AUTHORITY FOR NUCLEAR ACTIVITIES SA), by the resumption to revenues of the adjustments for the depreciation of fixed assets related to the downgraded investment, of the adjustment for the depreciation of the investment objective "LEA 400 kV Suceava - Balti, for the project portion on the territory of Romania", as well as for the registration of exchange rate differences related to the operational activity, etc.

28. Net financial result

	December 31, 2025	December 31, 2024
Interest revenues	11,898	7,217
Revenues from exchange rate differences	1,009	4,965
Other financial revenues	22,185	14,697
Total financial income	35,091	26,879
Interest expenses	(8,391)	(10,009)
Expenses from exchange rate differences	(2,470)	(6,797)
Other financial expenses	(12)	(399)
Total financial expenditure	(10,872)	(17,204)
Share of profit/(loss) of equity investments	(378)	-
Net financial result	23,841	9,675

In 2025, the Group considered the presentation of some items presented in 2024 in the Net financial result category, by mapping the exchange rate differences related to the operating activity to the newly introduced category called Other gains or losses in the amount of 828, compared to 2024 when the exchange rate differences related to the operating activity were in the amount of (96).

As of December 31, 2025, the Company recorded a net financial result (profit) of **23,841**, higher by 14,167 compared to the previous year (9,675 as of December 31, 2024), mainly influenced by the increase in dividend income received from OPCOM SA in the total amount of 22,124, as well as by the increase in interest income received in the analyzed period.

As of December 31, 2025, in the total amount of 8,391 (interest expenses) (10,009 as of December 31, 2024), the amount of 527 represents the interest calculated on fixed assets related to the rights of use of leased assets, according to the provisions of IFRS 16 – Leasing Contracts (524 as of December 31, 2024).

The share of the profit/(loss) of the investments represents the part of the result related to the jointly controlled entity GECO Power Company. On December 31, GECO recorded a loss, the Company's share of this loss thus representing an expense of **378**.

The exchange rate of the national currency recorded on December 31, 2025 compared to that recorded on December 31, 2024, is presented as follows:

Currency	December 31, 2025	December 31, 2024
Lei / Euro	5.0985	4.9741

29. Fiscal legislative framework

The legislative-fiscal framework in Romania and its implementation in practice changes frequently and is subject to different interpretations by various control bodies. Corporate income tax returns are subject to revision and corrections by the tax authorities, generally for a period of five years after the date of their completion. Management considers that it has adequately recorded tax liabilities in the financial statements. However, there is still a risk that tax authorities will adopt different positions on the interpretation of these aspects. Their impact could not be determined on this date.

- *Control ANAF*

Starting with December 22, 2025, the Company is subject to a tax inspection (ANAF – Regional Directorate of Public Finances Iași – Neamt County Administration of Public Finances) having as its object:

- verifying the legality and compliance of tax returns and/or transactions in connection with the establishment of tax bases and main tax liabilities regarding:
 - a) value added tax in the period 01.01.2019 – 31.12.2023;
 - b) corporate income tax in the period 01.01.2019 – 31.12.2023.
- verifying compliance with tax and accounting provisions;
- verification of other relevant aspects for taxation.

On the date of preparation of the present financial statements, the tax inspection is in progress and no tax inspection report and no tax decision has been issued.

The Company's management considers that the tax liabilities have been calculated and declared in accordance with the provisions of the tax legislation in force. Based on the information available at the date of preparation of the financial statements, no adjustments were identified that would lead to the recording of a provision for risks and expenses.

- *SMART – D.G.*

On 12.01.2026, the D.G. carried out a control to verify the aspects notified by the petition, in terms of the legislation and the reality of the economic and financial operations reported during the period 01.01.2021 – 31.12.2025.

In the event that, following the completion of the inspections, the tax authorities establish additional payment differences, they will be recognised in the financial statements of the year in which they will become certain and quantified.

30. Commitments and quotas

➤ Commitments

As of December 31, 2025, the Group had commitments amounting to RON 2,484,362 (RON 1,391,498 as of December 31, 2024) representing ongoing contracts for investment works related to the modernization and refurbishment of the transmission network.

➤ Land used by the Group

According to the Group's policy, the financial statements include only the value of the land for which certificates of ownership have been obtained at the date of the financial statements.

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

The Extraordinary General Meeting of Shareholders approved by Decision no. 7/28.05.2020 the increase

in principle of the share capital of CNTEE Transelectrica SA with the contribution in kind represented by the value of a number of 17 plots of land for which the Company has obtained the certificates attesting the ownership right and the submission to the Trade Register Office attached to the Bucharest Tribunal and the proposal to appoint JPA Audit and Consultancy SRL as ANEVAR authorized appraiser for the evaluation under the law of the contribution in kind that makes object of the share capital increase.

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

Until 31.12.2025, there were different opinions on the application/interpretation of the relevant legislation, respectively of the privatization legislation and the capital market legislation, and CNTEE Transelectrica SA is objectively unable to increase the share capital by the value of the 17 plots of land for which the Company obtained the certificates of attestation of the right of ownership and for which the expert JPA Audit and Consultancy SRL established a fair value.

➤ **Ongoing litigation**

The management periodically analyzes the situation of ongoing disputes, and after consultation with its legal representatives, decides the need to create/cancel provisions for the amounts involved or to present them in the financial statements.

Taking into account the existing information, the Group's management considers that at the date of the conclusion of the present situations there are no significant ongoing disputes, except for the following:

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

File: 9089/101/2013

File subject: bankruptcy

Value at issue: 19,113

File status: After several postponements for the continuation of the bankruptcy procedure, respectively for the collection of receivables, the capitalization of the assets, as well as the fulfillment of the other liquidation operations, the next trial term was set for **25.03.2026**.

For RAAN, the Company recorded an adjustment for the impairment of receivables in the amount of 8,517.

File: 28460/3/2017

Subject: By the summons, the plaintiff R.A.A.N. requests that the undersigned be ordered to pay the amount of 12,346, representing the bonus value for the period November 2015-April 2016 and bonus adjustment in the amount of 11,024, as well as the amount of 1,322, representing late payment penalties related to the principal debt.

Value at issue: 12,346

File status: At the deadline of 13.11.2025, the appeal filed by the appellant Transelectrica S.A. against the decision no. 806 of May 20, 2024, issued by the Bucharest Court of Appeal – Civil Section VI, was admitted. At the deadline of 19.02.2026, the HCCJ rejects the appeal filed by the defendant Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A. against the decision no. 806A of May 20, 2024, pronounced by the Bucharest Court of Appeal – Civil Section VI, as unfounded. **Definitive.**

The amount of 12,346 was paid by the Company in May 2024. **File: 3694/3/2016**

Object of the file:

By the writ of summons, the plaintiff R.A.A.N. requests that the undersigned be ordered to pay the amount of RON 12,727,102, representing bonus value and regularization of the pre-overcompensation for which the invoices series SRTF 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 of 17.08.2015, SRTF series no. 1500045 of 23.09.2015, SRTF series no. 1521339 of 26.10.2015 and SRTF series no. 1521282 of 8.04.2015, as well as the amount of 2,918, representing late payment penalties related to the principal debt, for which the invoices of the SRTF series no. 1500059 of 31.12.2015 and SRTF series no. 1500060 of 31.12.2015.

Value at issue: 15,699

File status: On 03.06.2024, the appeal was admitted, the entire appealed sentence was changed, in the sense that: the summons request was admitted. The defendant was ordered to pay the plaintiff the amount of 12,727, representing the bonus value and regularization of the pre-overcompensation for which SRTF series invoices were issued, as well as the amount of 2,918, representing late payment penalties related to

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

the principal debt, for which SRTF series invoices were issued, with the right of appeal.

Transelectrica filed an appeal. On the deadline of 16.10.2025, the HCCJ rejects the appeal filed by the appellant-defendant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. against the civil decision no. 898 A of June 3, 2024, pronounced by the Court of Appeal of Bucharest – Civil Section VI, as unfounded. **Definitive.**

The amount of 15,699 was paid by the Company in June 2024.

• COURT OF ACCOUNTS OF ROMANIA

Between September 2023 and January 2025, the Court of Accounts of Romania, through Department IV, carried out a compliance audit mission at the level of CNTEE Transelectrica SA. The theme of the compliance audit was "the situation, evolution and management of the state's public and private assets, as well as the legality of income and expenditure for the period 2020-2022" at CNTEE Transelectrica SA.

Following the completion of the audit mission, Department IV of the Court of Accounts of Romania issued the Compliance Audit Report of CNTEE Transelectrica SA no. 6000/23.01.2025 and the Letter to management no. 60001/23.01.2025, approved by the Plenary Decision no. 47/23.01.2025, which established a number of 17 recommendations with an implementation deadline of April 30, 2025.

On 11.03.2025, the Company filed a preliminary complaint against the above-mentioned compliance audit report.

On 11.06.2025, Transelectrica received the response formulated by the CCR to the preliminary complaint, by which they rejected the preliminary complaint as inadmissible for the audit report, and unfounded in terms of the plenary decision.

Following the response received from the CCR, on 07.08.2025 the Company submitted to the Bucharest Court of Appeal a request for summons (file no. 5244/2/2025) requesting the following:

- a) the annulment of the Plenum Decision no. 47/23.01.2025 regarding the approval of the Compliance Audit Report of CNTEE Transelectrica SA no. 6000/23.01.2025 and the Letter to management no. 60001/23.01.2025;
- b) the partial annulment of the Compliance Audit Report of CNTEE Transelectrica SA no. 6000/23.01.2025 and the Letter to Management no. 60001/23.01.2025 on the recommendations provided for in points 5.1, 5.6, 5.12 partially, 5.13 partially, 5.14 partially, 5.15 and 5.16.
- c) the suspension of the effects of the Plenum Decision no. 47/23.01.2025 until the final resolution of the present case;
- d) court costs.

File: 5244/2/2025

Subject of the file: disputes of the Court of Accounts (Law no. 94/1992) decision no. 47/23.01.2025

File status:

On 08.09.2025, Transelectrica asked the court to order a trial term for the resolution of the request to suspend the effects of the Plenary Decision no. 47/23.01.2025 until the case is resolved on the merits. The court set the trial deadline of 14.10.2025, for the resolution of the request for suspension. CAB solution: Rejects the request for suspension, as unfounded.

At the trial deadline of 03.02.2026, a deadline of 06.02.2026 was granted in order to resolve the declaration of abstention formulated by Judge Silvia Pavelescu and at the deadline of 06.02.2026, the court rejects as unfounded the request for abstention from judging the case no. 5244/2/2025, formulated by Judge Pavelescu Silvia. Trial term: **31.03.2026**

• OPCOM

File: 22567/3/2019

Subject: By the request for summons, the plaintiff CNTEE Transelectrica SA requested the court to order:

- order the defendant OPCOM SA to pay the amount of 4,517, related to the invoice series TEL 16 AAA no. 19533/29.07.2016, representing the equivalent value of the VAT related to the contribution made by CNTEE Transelectrica SA to the share capital of OPCOM SA, issued on the basis of the Loan Agreement no. 7181RO/2003, commitment for financing the investment project "Electricity Market Project";
- order the defendant OPCOM SA to pay the amount of 1,294 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 series TEL 16 AAA no. 19533/29.07.2016.

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

- order the defendant OPCOM SA to pay the costs.

Value at issue: 5,811

File status:

TMB's solution Admits the exception of prescription. Dismisses the action as time-barred. Transelectrica has filed an appeal.

CAB solution according to decision no. 1532/12.10.2022: Rejects the appeal as unfounded. Orders the appellant to pay the respondent the sum of 11 as costs. Transelectrica filed an appeal against the Civil Decision no. 1532/12.10.2022 issued by the CAB. . On 19.09.2023 at the HCCJ, the appeal was admitted, decision 1532/12.10.2022 was quashed and the case was sent to the same court for a new trial. **Definitive.** Decision 1640/19.09.2023.

New file 22567/3/2019* the case was sent for retrial. On the deadline of 18.02.2025, **the appeal** was rejected as unfounded. The appellant-applicant was ordered to pay the respondent-defendant the sum of 29 as court costs. With the right to appeal within 30 days from the communication. Decision 235/18.02.2025. Transelectrica **filed an appeal.**

At the deadline of 24.02.2026, the HCCJ rejects as unfounded the main appeal filed by the appellant-plaintiff Compania Națională de Transport al Energiei Electrice "TRANSELECTRICA" S.A. against the civil decision no. 235 of February 18, 2025, issued by the Bucharest Court of Appeal – Civil Section V. Rejects as unfounded the cross-appeal filed by the appellant-defendant Electricity and Natural Gas Market Operator - OPCOM S.A. against the civil decision no. 235 of 18 February 2025, pronounced by the Court of Appeal of Bucharest – Civil Section V. Dismisses the parties' requests for costs in the appeal. **Definitive.**

For the amounts presented above, the Company records adjustments for the impairment of receivables (principal debit and related penalties).

File: 24242/3/2021

Subject: OPCOM requests a declaration of nullity of the act – contribution in kind

Amount in dispute: Decrease of share capital contribution from 22,587 to the amount of 2,316. Reduction of the number of shares held by Transelectrica in OPCOM.

File status: On 07.11.2023 TMB's solution in brief: the exception of inadmissibility was qualified as a substantive defense. The request for summons was rejected as unfounded.

OPCOM filed an appeal. At the hearing deadline of 13.03.2025, the appeal was rejected as unfounded and the applicant was ordered to pay the state the amount of 180 representing the judicial stamp fee.

OPCOM filed an appeal. At the deadline of 17.02.2026, the HCCJ rejects as unfounded the appeal filed by the plaintiff SOCIETATEA OPERATORUL PIETEI DE ENERGIE ET DE GAZ NATURALE - OPCOM S.A. against the civil decision no. 423 of March 13, 2025 issued by the Bucharest Court of Appeal - Civil Section V. **Definitive.**

File: 44380/3/2024

Object of the file: claims and conclusion of the addendum, cval. services for calculating receivables and payment obligations of transactions carried out by PRE and PPE plus statutory interest

Disputed value: 2,914 representing the value of the services provided by OPCOM in favor of Transelectrica under Contract no. C 707/2022, for the calculation of the entitlements to be collected and the payment obligations of transactions carried out by the participants in the balancing market and of the imbalances of the parties responsible for balancing in the period 01.01.2023 - 29.02.2023.

File status: At the deadline of 13.01.2026, in order to administer the proposed evidence, postpones the trial of the case to **10.03.2026**. At this deadline, the court postpones the trial of the case to **05.05.2026**.

As of December 31, 2025, the Company has no provision on record for this litigation.

• **CONAID COMPANY SRL**

File: 36755/3/2018

Subject: claims and finding of unjustified refusal to conclude the addendum to the contract connection RET C154/2012

Value in dispute: 17,216 damage suffered and 100,000 euros estimated unrealized profit

File status:

TMB's solution: Admits the exception of the prescription of the substantive right to action, invoked by the defence. Dismisses the claim as time-barred. Conaid has appealed.

CAB solution: Admit the appeal. Annuls the appealed civil judgment and sends the case to the first instance for the resolution of the merits.

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

Transelectrica filed an appeal. At the trial deadline of 26.02.2026, the HCCJ rejects as unfounded the appeal filed by the appellant-defendant CNTEE "Transelectrica" S.A. against the civil decision no. 529A/2025 of 27 March 2025, pronounced by the Court of Appeal of Bucharest – Civil Section VI, in contradiction with the respondent-applicant CONAID COMPANY S.R.L., through the judicial administrator C.I.I. Matache Alice Mirela. **Definitive.**

For the amount of 17,216 lei, CNTEE Transelectrica constituted a provision in 2019.

• MUNICIPIUL REȘIȚA

File: 2494/115/2018* / 2494/115/2018**

Subject of the file: claims for the amount representing land rents for the years 2015, 2016, 2018, 2019, 2020, 2021, 2022 and 2023, to which is added the legal penalty interest from the maturity until the actual payment

Value at issue: 17,038

File status: At the deadline of 27.02.2025, the court rejects the exception of the prescription of the right to action regarding the claims consisting of the rent for the year 2015 and the exception of the lateness of the formulation of the amendments to the action, exceptions invoked by the defendant Transelectrica S.A. It qualifies the exception of res judicata as a substantive defense regarding the positive effect of res judicata. Rejects the request for summons filed by the defendant Municipality of Resita in contradiction with the defendant Transelectrica S.A.

The Municipality of Resita declared an appeal. Deadline set for **21.04.2026**.

The Company is involved in adversarial litigation with SMART as follows:

File: 15561/3/2022

Subject: SMART SA requested that Transelectrica be ordered to pay the amount of 4,467 representing the amount of tax liabilities related to the increased revenues as a result of the increase in the tax base resulting from the adjustment of revenues for the years 2014, 2015 and 2016 + legal costs.

Value at issue: 4,467

File status: At the deadline of 20.03.2025, the court admits the request for summons. Orders the defendant to pay the plaintiff the amount of 4,467 as well as the payment of the legal penalty interest related to the amount of 3,194 from 21.12.2021 until the date of actual payment. Orders the defendant to pay the plaintiff court costs consisting of the amount of 51 lei as stamp duty and the amount of 3,000 lei as expert's fee. Transelectrica **has filed an appeal**.

At the deadline of 20.02.2026, the court postpones the trial of the case with the agreement of the parties and grants a trial deadline of **08.05.2026**, so that the respondent can take note of the meeting notes submitted by the appellant.

For the amount of 4,467, CNTEE Transelectrica constituted a provision in 2022.

➤ OTHER

The company is involved in significant litigation, especially for debt recovery (e.g.: Total Electric Oltenia SA, Regia Autonomă de Activită Nucleare, Energy Holding SRL, UGM Energy Trading SRL, CET Bacău, CET Govora, Nuclearelectrica, CET Brașov, Elsaco Energy SRL, Arelco Power SRL Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL, PET Communication, ISPE, Grand Voltage SRL, EXPLOCOM GK SRL, Next Energy Partners, SC ENOL GRUP SA, Aderro GP Energy and others).

The Company has recorded impairment adjustments for customers and other disputed claims and for customers in bankruptcy.

At the same time, the Company is also involved in disputes with former members of the Executive Board and the Supervisory Board, regarding the mandate contracts concluded between the Company and them. For these disputes, the Company has made provisions.

➤ Warranties

On 31 December 2025 and 31 December 2024, the guarantees are presented as follows:

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	December 31, 2025	December 31, 2024
Guarantees granted, of which:	316,014	537,109
- letters of guarantee issued – production	124,602	157,286
- letters of guarantee issued – investments	16,412	29,823
- other guarantees granted	175,000	350,000
Guarantees received, of which:	1,130,453	821,959
- letters of guarantee received – production	302,538	327,366
- letters of guarantee received – investments	780,058	446,737
- other guarantees received	47,857	47,856

Provisions for the expected cost of the guarantee obligations relating to the sale of goods shall be recognised at the date of sale of the relevant products, at the best estimate of the directors of the expenses necessary to settle the group's obligation.

Sales guarantees cannot be purchased separately and serve as assurance that the products sold comply with the agreed specifications. Accordingly, the group accounts for collateral in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Guarantees granted

The company is obliged according to the Operating License no. 161/2000 for the provision of the electricity transmission service, as well as the system balancing services, granted by the Decision of the President of ANRE no. 865/22.12.2000, as subsequently amended and supplemented, to establish and maintain a financial guarantee of 1% of the turnover associated with the activities authorized by the license, related to the last year ended, to ensure the continuous performance of the activities subject to the license, taking into account the major risks that may affect these activities and to cover any damages requested according to the contractual provisions concluded. In order to comply with this obligation, the Company concluded on 01.02.2022 a loan agreement with Banca Comercială Romanian with the object of granting a ceiling for the issuance of bank guarantee letters in the amount of 23,268 valid between 01.01.2022 and 31.12.2022.

On 24.12.2024, addendum no. 3 to the credit agreement concluded with Banca Comercială Romanian was concluded, having as object the granting of a ceiling for the issuance of bank guarantee letters, by which the value of the ceiling was reduced to the amount of 46,314 and the validity was extended until 31.12.2025.

On 24.12.2025, the addendum no. 4 to the credit agreement concluded with Banca Comercială Romanian having as object the granting of a ceiling for the issuance of bank guarantee letters by which the value of the ceiling was increased to the amount of 76,391 and the validity was extended until 31.12.2026.

The other guarantees granted are mainly represented by letters of bank guarantee issued for the purchase of electricity to cover the Own Technological Consumption (CPT) on the centralized markets administered by OPCOM – the Centralized Market of Bilateral Electricity Contracts, the method of trading by extended auction and the use of products that ensure trading flexibility (PCCB-LE-flex), the method of trading by negotiation continuous (PCCB-NC), the Centralized Market with continuous double negotiation of bilateral electricity contracts (PC-OTC), the Day-Ahead Market (PZU) and the Intra-day Market (IP), as well as commitments/guarantees granted related to ongoing loan agreements for investment activity.

Other guarantees granted are the contracts assigned to guarantee the credit lines contracted for the support scheme for cogeneration and working capital.

Guarantees received

The guarantees received are mainly represented by the letters of bank guarantee of good payment related to the contracts concluded on the electricity market, balancing, high efficiency cogeneration, letters of guarantee of good performance, good performance related to investment contracts and other guarantees received under the contracts financed from the connection tariff.

➤ Revaluation reserves as at 31 December 2025

As of December 31, 2025, the revaluation reserves (net of tax) are 1,496,393 (as of December 31, 2024 in the amount of 1,596,896).

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

Starting with May 1, 2009, the reserves from the revaluation of fixed assets, including land, carried out after January 1, 2004, which are deducted from the calculation of the taxable profit by means of tax depreciation or expenses related to assets sold and/or scrapped, are taxed at the same time as the deduction of tax depreciation, respectively at the time of the decommissioning of these fixed assets, as the case may be.

The realized reserves are taxable in the future, in the event of a change in the destination of the reserves in any form, in the event of liquidation, merger of the company including its use to cover accounting losses, except for the transfer, after May 1, 2009, of the reserves mentioned in the previous paragraph.

➤ **Tariff for electricity transmission service and system service**

The model of regulation of transport tariffs currently applied in Romania is revenue cap.

The model involves the regulation of the total revenue allowed to the transmission system operator and includes as objectives to ensure the necessary premises for the efficient operation of the transmission service and to maintain the financial viability of the operator for the adequate remuneration of the financiers and the maintenance of access to financing.

The model contains mechanisms to boost operational efficiency and a financial return framework based on the control of the investments made by the operator (regulated asset base) and a regulated rate of return established on the basis of the estimate of the operator's average cost of financing.

The pricing of electricity transmission services is carried out during regulatory periods. Regulatory periods are multiannual tariff regulatory cycles (currently 5 years), during which a tariff calculation methodology is applied¹ and for which a complete set of parameters is pre-established over the horizon of those periods for the actual calculation of tariffs. The establishment of pricing parameters over multi-year horizons provides a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

Within a regulatory period, tariffs are reviewed annually and remain valid for periods of 12 months from the date of approval (tariff years).

Differences between the forecast and actual values of the tariff calculation parameters for a given tariff year are compensated by means of ex-post corrections implemented in the tariff in subsequent tariff years or at the beginning of the next regulatory period.

In the case of certain specific components of the regulated cost base that are subject to caps, exceeding the forecast level of those costs is not compensated. Also, in the case of certain cost components, the savings achieved are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- costs of the current operation of the service: controllable and uncontrollable operating and maintenance costs, own technological consumption, internal network congestion, costs and revenues related to the mechanism for financial compensation of electricity transits under ENTSO-E;
- the costs of developing the service: the planned investments in the transmission network, the regulated assets used by Transelectrica in carrying out the activity, the depreciation program based on regulated operating times, the return on invested capital established on the basis of a regulated rate of return applied to the regulated asset base;
- the amount of electricity that can be charged, the price of reactive energy.

The transmission tariffs are invoiced based on the quantities of active electricity introduced/extracted from the public electricity networks on the territory of Romania, except for imports/exports.

Transelectrica charges a transmission tariff for injection into public electricity networks (tariff component TG) and for extraction from public electricity networks (tariff component TL).

TG does not apply to electricity produced by power plants with a small installed capacity of up to 5 MW. The TG also does not apply to imported electricity. The TL does not apply to exported electricity.

l) Transport tariffs applied in 2025

¹ The methodology currently applied is the one approved by ANRE Order no. 68/2024 with subsequent amendments and completions.

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

By the Order of the President of ANRE no. 99/2024, the tariffs for the introduction of electricity into the transmission network (T_G) and the extraction of electricity from the network (T_L), practiced by CNTEE Transelectrica S.A., valid from January 1, 2025, were approved, according to the table below:

Electricity transmission*	U.M.	Tariff applied in 2024	Tariff in force from January 1, 2025 according to ANRE Order no. 99/ 20.12.2024	Difference (%)
(1)	(2)	(3)	(4)	(5)=(4)/(3)
T_G (Network Injection Component)	Lei/MWh	3.82	3.29	-13.87%
T_L (network extraction component)	Lei/MWh	27.72	33.03	19.16%

*Note: Starting with January 1, 2025, the notion of "average transport tariff" has been eliminated. Until January 1, 2025, ANRE approved an average value of the transmission tariff and the values of the tariffs for injection into the T_G network (tariff paid by producers) and extraction tariffs from the T_L network (tariff paid by consumers). In the course of the transport contracts, only the T_G and T_L tariffs are applied. The average transport tariff had only an indicative value and represented an indicator of the evolution over time of the transport tariff as a whole, regardless of the way in which the costs were allocated to the two tariffs TG and TL.

The tariff components that make up the tariffs for the introduction of electricity into the transmission network (TG) and the extraction of electricity from the network (T_L), practiced by CNTEE Transelectrica S.A., valid from January 1, 2025, are presented in the tables below: *Tariff components –*

Tariff for the introduction of electricity into the transmission network (TG)

	Tariff from January 1, 2025 (lei/MWh), according to ANRE Order no. 99/ 20.12.2024, of which:	The tariff component corresponding to the CPT regulated revenue that is recovered from producers (C_CPT_P) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue recovered from producers (C_CPT_S_P) (lei/MWh)
Tariff for the introduction of electricity into the transmission network (T_G)	3.29	2.84	0.45

Tariff components - Tariff for the extraction of electricity from the transmission network (TL)

	Tariff from January 1, 2025 (lei/MWh), according to ANRE Order no. 99/20.12.2024, of which:	Tariff component corresponding to non-CPT regulated income (CPT CT_non) (lei/MWh)	Tariff component corresponding to CPT regulated revenue recovered from final customers (C_CPT_C) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue that is recovered from final customers (C_CPT_S_C) (lei/MWh)
Tariff for extracting electricity from the networks (T_L)	33.03	24.01	7.73	1.29

II) Tariff for the acquisition of system services applied in 2025

By ANRE Orders no. 57/2024, no. 21/2025 and no. 60/2025, the tariffs for the acquisition of system services practiced by CNTEE Transelectrica SA valid in 2025 were approved, according to the table below:

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

System Service	U.M.	Tariff in force	Difference (%)
Order no. 57/2024 (1 January - 31 May)	Lei/MWh	11.51	-
Order no. 21/2025 (June 1 – August 31)	Lei/MWh	7.04	-38.81%
Order no. 60/2025 (1 September – 31 December)	Lei/MWh	12.79	+81.69%

The negative and positive adjustments of the tariff starting with June 1, 2025 and September 1, 2025, respectively, were made based on the fulfillment of the provisions of Art.22 and Art.23 of the Methodology for setting the tariff for the acquisition of system services, approved by ANRE Order no. 116/2022.

Contingent

As of December 31, 2025, **contingent liabilities** are 49,219. These are related to disputes concerning claims representing additional costs following the increase of the minimum wage in the construction sector for investment contracts

31. Related Parties**i) Related parties – transactions**

The transactions carried out in 2025 and 2024 with the related parties are detailed as follows:

Affiliated Entity	Sales		Procurement	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
FORMENERG SA	-	-	3	7
TOTAL	-	-	3	7

During the year Formenerg merged with Teletrans, as mentioned earlier.

ii) Related parties – transactions with other state-owned companies

The company is an entity with majority state capital.

The value of the Company's transactions with entities controlled by the State or over which the State exercises a significant influence represents a significant part of the sales and purchases recorded in the year ended December 31, 2025.

Significant purchases/sales and balances are mainly with electricity producers/suppliers where the state is the majority shareholder, as follows:

Supplier	Purchase		Trade Debts	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Hidroelectrica	749,234	1,946,094	109,789	226,959
Complexul Energetic Oltenia	468,882	586,388	59,677	66,628
Electrocentrale Bucuresti	281,524	261,776	56,720	23,470
Societate Electrocentrale Craiova	84,576	76,866	7,850	5,192
Thermoenergy Group SA	25,944	29,108	3,808	2,027
SNGN Romgaz SA	9,518	21,916	2,734	2,109
SCE Valea Jiului SA	8,522	11,751	1,865	1,131
Nuclearelectrica	257	24,367	30	7,321
OPCOM SA	2,763,526	1,833,386	90,190	644,297
TOTAL	4,391,618	4,791,653	332,212	979,134

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

Client	Sales		Trade receivables*)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Hidroelectrica	715,382	1,037,447	160,879	50,584
Complexul Energetic Oltenia	126,397	189,784	24,797	20,551
Nuclearelectrica	33,339	44,396	3,649	-
SNGN Romgaz SA.	16,380	32,581	3,292	990
Electrificare CFR SA	29,060	31,974	6,217	2,425
Electrocentrale Bucuresti	20,558	17,715	4,150	-
SCE Valea Jiului SA	13,288	16,559	2,800	572
Societate Electrocentrale Craiova	6,665	8,460	473	394
OPCOM SA	1,449,258	3,637,185	101,497	634,691
TOTAL	2,371,215	5,016,102	309,137	710,206

*) Commercial receivables are presented at gross value.

During 2025, the Company received dividends from OPCOM in the amount of 22,108.

The types of transactions carried out in 2025 with Opcom represent electricity sale-purchase transactions.

As presented in Note 1 ("Legislative Environment"). the Company's activities are regulated by ANRE. At the same time. as set out in Note 3 (b). in accordance with the Concession Agreement, an annual fee is paid. calculated as 4/1000 of the value of the gross revenues earned from electricity transmission and transit operations, through the national transmission systems, publicly owned by the state.

32. Management Pay

The salaries paid to employees with an Individual Employment Contract (CIM) in management positions for the services provided are mainly composed of the basic salary. management allowance. benefits at the end of the employment contract and post-employment. as well as the fixed and variable components for the members of the Executive Board and the Supervisory Board.

These are detailed. as follows:

	December 31, 2025	December 31, 2024
<u>Employees with CIM in management positions</u>		
Short-term benefits	67,105	28,500
Other long-term benefits	1,111	316
<u>Members of the Executive Board and the Supervisory Board</u>		
Short-term benefits Fixed component	6,635	5,029
Benefits (rent, transportation)	327	-
Total	75,177	33,845

In the December 2025 note, the salary of the branch management was also presented, and for a compliant presentation in December 2024, the total amount was 69,807.

By Decision no. 1 of the Ordinary General Meeting of Shareholders of the National Electricity Transmission Company "Transelectrica" – S.A of 28.02.2024. the appointment of the members of the Supervisory Board with a term of office of 4 years was approved. starting with 01.03.2024 and until 29.02.2028. as well as the determination of remuneration.

By Supervisory Board Decision no. 39 of 30.09.2024. in accordance with the provisions of art. 35 paragraphs (4)-(8) and (11) of GEO no. 109/2011 on the corporate governance of public enterprises. following the completion of the selection procedure for candidates to occupy the positions of members of the CNTEE Transelectrica SA Executive Board. pursuant to Article 23 of the Articles of Incorporation. the appointment of the members of the Company's Executive Board was approved starting with 03.10.2024 until 29.02.2028 for a maximum period of four years. as well as the determination of remuneration.

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

33. Minority interests

	December 31, 2025	December 31, 2024
Balance on January 1	-	-
Share of loss in the year	-	-
Additional minority interests	-	-
Balance at the end of the period	-	-

34. Financial instruments*Financial Risk Management*

The Group is exposed to the following risks arising from financial instruments: market risk (interest rate risk and currency risk), credit risk and liquidity risk. The Group's global management focuses on the unpredictability of the financial market and seeks to minimize the potential adverse effects of the Group's financial performance. Market risk is the risk that produces changes in market prices, such as foreign exchange and interest rates that will affect the Group's revenues or the value of holdings of financial instruments.

The group has no formal commitments to combat financial risks. However, Financial risks are monitored at the management level, focusing on the Group's needs to effectively compensate for opportunities and threats.

This note provides information on the Group's exposure to the above-mentioned risks, to the objectives, policies and processes related to risk measurement and management, and the Company's capital management.

Interest rate risk

The Group's operating cash flows are affected by changes in the interest rate, mainly as a result of long-term loans in foreign currency contracted from external financing banks. The group has long-term fixed-rate loans, that cannot expose it to a cash flow risk.

At the balance sheet date, the ratio between the Group's fixed interest rate and floating rate financial instruments is presented below:

	December 31, 2025	December 31, 2024
Fixed interest rate financial instruments		
Financial liabilities	8,182	32,205
Floating interest rate financial instruments		
Financial liabilities	177,643	8,354

Interest rate sensitivity analysis

A -1.00% depreciation of the interest rate for loans with variable interest rates at the date of preparation of the statement of financial position would have increased the gross profit for the financial year by the amounts indicated below. This analysis assumes that all other variables, mainly the exchange rate, remain constant.

	Profit December 31, 2025	Profit December 31, 2024
<i>Floating-rate instruments (-1%)</i>	1,776	84
Total	1,776	84

An appreciation of +1.00% in the interest rate for loans with variable interest rates at the date of preparation of the statement of financial position would have decreased the gross profit for the financial year by the amounts indicated below. This analysis assumes that all other variables, mainly exchange rates, remain constant.

	Loss December 31, 2025	Loss December 31, 2024
<i>Floating rate instruments (+1%)</i>	(1,776)	(84)
Total	(1,776)	(84)

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

*(All amounts are expressed in thousands of LEI, unless otherwise indicated)***Currency risk**

The group may be exposed to fluctuations in the exchange rate of cash and cash equivalents, long-term loans or trade debts denominated in foreign currency.

The Group's functional currency is the Romanian leu. The group is exposed to the exchange rate risk of cash and cash equivalents, purchases and loans made in a currency other than functional. The currencies that expose the Group to this risk are, mainly, EUR and USD. Loans in foreign currency and debts in foreign currency are subsequently expressed in lei, at the exchange rate at the balance sheet date, released by the National Bank of Romania. The resulting differences are included in the profit and loss account, but it does not affect cash flow until the debt is liquidated.

Exposure of the Company to currency risk, expressed in RON. It was:

December 31, 2025	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	761.192	749.185	12.001	6
Trade and other receivables	3.371.004	2.227.700	1.143.304	-
Gross exposure assets	4.132.195	2.976.884	1.155.305	6
Financial liabilities				
Trade and other liabilities	3.453.470	2.324.872	1.125.437	3.161
Borrowings	185.825	177.643	8.182	-
Gross debt exposure	3.639.295	2.502.515	1.133.618	3.161
Net exposure at reporting date	492.900	474.369	21.686	(3.155)
31 December 2024	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	707.174	679.442	27.711	22
Trade and other receivables	3.782.840	2.279.595	1.503.223	22
Gross exposure assets	4.490.014	2.959.037	1.530.933	44
Financial liabilities				
Trade and other liabilities	3.889.713	2.316.112	1.573.601	-
Borrowings	40.559	8.354	32.205	-
Gross debt exposure	3.930.272	2.324.466	1.605.806	-
Net exposure at reporting date	559.742	634.571	(74.873)	44

Commercial and other receivables, as well as suppliers and other obligations except suppliers of fixed assets are expressed only in RON.

The following exchange rates have been applied:

	Average Course		Exchange rate at date	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
RON/ EURO	5.0415	4.9748	5.0985	4.9741
RON/ USD	4.4705	4.6048	4.3417	4.7768

Currency Risk Sensitivity Analysis

A 10% appreciation of the Romanian leu against the following foreign currencies on December 31, 2025 and December 31, 2024 would have increased the gross profit by the amounts indicated below. This analysis assumes that all other variables remain constant.

	Profit December 31, 2025	Profit December 31, 2024
EUR	(2,169)	7,487
USD	(315)	4
Total	(2,484)	7,492

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

A 10% depreciation of the Romanian leu against the following foreign currencies on December 31, 2025 and December 31, 2024 would have had a similar but opposite effect on the above amounts, assuming that all other variables remained constant.

	Loss December 31, 2025	Loss December 31, 2024
EUR	2,169	(7,487)
USD	315	(4)
Total	2,484	(7,492)

Credit risk

Credit risk is the risk in which the Group incurs a financial loss as a result of a breach of contractual obligations by a client or a 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 internal and external success factors of the Group. The external factors of success – which have an effect on the reduction of risk in a systematic way are: the decentralization of the energy sector in which production, transport, Distribution and supply are distinct activities, and the interface for the customer is represented by the supplier, electricity trading on the Romanian market on two market segments: the regulated market and the competitive market. Internal success factors in the treatment of counterparty risk include: diversification of the customer portfolio and diversification of the number of services offered on the electricity market.

The 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 series of policies to ensure that the sale of services is carried out to customers with an appropriate revenue, by including in commercial contracts their obligation to provide financial guarantees. Value of receivables, net of impairment adjustments, represents the maximum amount at risk of collection.

The collection risk related to these claims is limited, whereas these amounts are, mainly, owed by state-owned companies.

The maximum exposure to collection risk at the reporting date was:

	Net Worth December 31, 2025	Net Worth December 31, 2024
Financial assets		
Net trade receivables	2,422,234	2,580,095
Net other receivables and down payments to suppliers	552,154	930,509
VAT to be recovered	396,616	272,236
Cash and cash equivalents	761,192	707,174
Total	4,132,195	4,490,014

The statement of the seniority **of the receivables** at the date of preparation of the financial position was:

	Gross value 31 December 2025	Depreciation adjustment December 31, 2025	Gross value 31 December 2024	Depreciation adjustment December 31, 2024
Not reached to maturity	2,322,978	10	2,491,830	27
Due date exceeded 1 – 30 days	(703)	-	2,219	-
Due date exceeded 31 – 90 days	1,666	-	492	-
Due date exceeded 90 – 180 days	9,826	160	78	-
Due date exceeded 180 – 270 days	642	-	(31)	-
Due date exceeded 270 – 365 days	22	-	(8)	-
More than a year	214,784	126,811	213,581	128,038
Total	2,549,214	126,980	2,708,160	128,066

The statement of the seniority **of other receivables** at the date of preparation of the financial position was:

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

	Gross value 31 December 2025	Depreciation adjustment December 31, 2025	Gross value 31 December 2024	Depreciation adjustment December 31, 2024
Not reached to maturity	905,613	330	1,180,385	331
Due date exceeded 1 – 30 days	71	-	1,197	-
Due date exceeded 31 – 90 days	627	-	4,784	-
Due date exceeded 90 – 180 days	17,923	325	424	342
Due date exceeded 180 – 270 days	6,869	41	1,154	911
Due date exceeded 270 – 365 days	680	331	849	413
More than a year	88,750	70,737	86,985	71,036
Total	1,020,533	71,764	1,275,778	73,033

The evolution of customer impairment adjustments is as follows:

	December 31, 2025	December 31, 2024
Opening balance 1 january	128,066	130,158
Recognition of adjustments for impairment	2,598	288
Reversal of adjustments for impairment	3,683	2,381
Balance on the end of period	126,981	128,066

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

	December 31, 2025	December 31, 2024
Opening balance 1 january	73,033	84,933
Recognition of adjustments for impairment	1,725	7,431
Reversal of adjustments for impairment	2,994	19,331
Balance on the end of period	71,764	73,033

Liquidity risk

Liquidity risk is the risk that the Group will experience difficulties in meeting its obligations associated with financial liabilities that are settled in cash or through the transfer of another financial asset.

A prudent liquidity risk management policy involves maintaining sufficient cash and cash equivalents, the availability of financing through appropriate credit facilities.

	December 31, 2025	December 31, 2024
Assets		
Monetary assets in RON	2,976,884	2,959,037
Monetary assets in foreign currency	1,155,311	1,530,977
Total assets	4,132,195	4,490,014
Liabilities		
Monetary liabilities in RON	(2,502,515)	(2,324,466)
Monetary liabilities in foreign currency	(1,136,779)	(1,605,806)
Total liabilities	(3,639,295)	(3,930,272)
Net monetary position in RON	474,369	634,571
Net monetary position in foreign currency	18,531	(74,829)

The following table shows the contractual maturity of financial debts, including interest payments:

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

December 31, 2025	Net Worth	Contract value	<12 months	1–2 years	2–5 years	>5 years old
Financial liabilities						
Trade and other liabilities	3,430,884	3,430,884	3,413,011	14,714	3,159	-
Other tax and social security liabilities	22,585	22,585	22,585	-	-	-
Borrowings	185,825	195,823	184,354	980	490	-
Total	3,639,295	3,649,293	3,619,951	15,694	3,650	-
December 31, 2024	Net Worth	Contract value	<12 months	1–2 years	2–5 years	>5 years old
Financial liabilities						
Trade and other liabilities	3,864,176	3,838,172	3,858,507	1,604	4,065	-
Other tax and social security liabilities	25,537	25,613	25,537	-	-	-
Borrowings	40,559	47,205	32,641	6,483	1,435	-
Total	3,930,272	3,910,990	3,916,685	8,087	5,500	-

The following table shows the contractual maturity of financial assets, including interest payments:

December 31, 2025	Net Worth	Contract value	<12 months	1-2 years	2-5 years	>5 years old
Financial assets						
Net trade receivables	2,422,234	2,422,234	2,422,234	-	-	-
Net other receivables and down payments to suppliers	552,154	552,154	552,154	-	-	-
VAT to be recovered	396,616	396,616	396,616	-	-	-
Cash and cash equivalents	761,192	761,192	761,192	-	-	-
Total	4,132,195	4,132,195	4,132,195	-	-	-
December 31, 2024	Net Worth	Contract value	<12 months	1-2 years	2-5 years	>5 years old
Financial assets						
Net trade receivables	2,580,095	2,580,095	2,580,095	-	-	-
Net other receivables and down payments to suppliers	930,509	930,509	930,509	-	-	-
VAT to be recovered	272,236	272,236	272,236	-	-	-
Cash and cash equivalents	707,174	707,174	707,174	-	-	-
Total	4,490,014	4,490,014	4,490,014	-	-	-

Fair value of financial instruments

Fair value is the value at which the financial instrument can change in ordinary transactions carried out under objective and informed conditions between interested parties, other than those determined by liquidation or forced sale. Fair values are derived from quoted market prices or cash flow models, as applicable. As at 31 December 2024 and 31 December 2023, management considers the fair values of cash and cash equivalents, trade and other receivables, trade liabilities, loans and other short-term liabilities approximate their carrying amount. The book value of the loans is the amortized cost.

December 31, 2025	Book value	Fair Value
Financial assets		
Net trade receivables	2,422,234	2,422,234
Cash and cash equivalents	761,192	761,192
Net other receivables and down payments to suppliers	552,154	552,154
VAT to be recovered	396,616	396,616
Total	4,132,195	4,132,195

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

December 31, 2025	Book value	Fair Value
Non-current financial liabilities		
Borrowings	1,471	1,471
Total	1,471	1,471
Current financial liabilities		
Providers, including asset providers	3,414,967	3,414,967
Borrowings	184,354	184,354
Amounts due to employees and other liabilities	38,503	38,503
Total	3,637,824	3,637,824
December 31, 2024	Book value	Fair Value
Financial assets		
Net trade receivables	2,580,095	2,580,095
Cash and cash equivalents	707,174	707,174
Net other receivables and down payments to suppliers	930,509	930,509
VAT to be recovered	272,236	272,236
Total	4,490,014	4,490,014
Non-current financial liabilities		
Borrowings	7,918	7,918
Total	7,918	7,918
Current financial liabilities		
Providers, including asset providers	3,848,033	3,848,033
Borrowings	32,641	32,641
Amounts due to employees and other liabilities	41,680	41,680
Total	3,922,354	3,922,354

Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial Assets		
Cash and cash equivalents	761,192	707,174
Trade and other receivables	3,371,004	3,782,840
Financial liabilities		
Depreciated cost	3,639,295	3,930,272

Personnel risk and the payroll system

On December 31, 2025, the average age of the Group's staff is high. There is a possibility that in the future, the group faces a shortage of staff due to employee departures due to natural causes.

Another risk related to personnel is the possibility of highly qualified employees leaving for private companies, which could offer salary packages and compensations above the current level offered by the Company.

Capital Risk Management

The Company's policy is to maintain a strong capital base in order to maintain a solid financial structure that allows the conduct of operational activities in continuity and the financing of investment programs in the electricity transmission network infrastructure.

The company monitors the capital structure by analyzing the ratio of equity to financial liabilities, as well as debt indicators. Management regularly analyses this indicator to ensure that a balanced financial structure is maintained and to facilitate access to sources of financing under appropriate conditions. The Company's activity is subject to the regulatory framework established by ANRE, which defines mechanisms for

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

CNTEE Transelectrica SA- OMFP 2844

Explanatory notes to the financial statements for the financial year ended December 31, 2025

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

establishing regulated revenues and remuneration of invested capital based on regulated assets.

Leverage indicator

	December 31, 2025	December 31, 2024
Current and long-term borrowings	185,825	40,559
Cash and cash equivalents	(761,192)	(707,174)
Net debt	(575,367)	(666,615)
Total liabilities	4,857,385	4,918,426
Total equity	6,072,155	5,907,117
Indebtedness (Total liabilities/equity)	0.80	0.83

35. Fees charged by each statutory auditor or audit firm

The fee charged for financial audit services for the financial year 2024 and paid in 2025 is in the amount of RON 1,020 (excluding VAT). services provided by PKF FINCONTA SRL.

For the financial year 2025, the fees (excluding VAT) charged by the statutory auditor, according to the contract C2303/2025 concluded with DELOITTE AUDIT SRL, are:

- for audit services in the amount of 866;
- for non-audit services in the amount of 477.

They will be paid during 2026.

36. Environmental objectives

CNTEE Transelectrica SA has implemented an integrated quality management system, environment, health and safety at work. through which it efficiently manages the environmental aspects related to the electricity transmission activity, as well as maintenance and modernization of the RET, to prevent pollution and increase environmental performance.

The Company's concern for environmental protection is also reflected in the Policy Statement of the Integrated Management System in the areas of quality, environment, health and safety at work.

The development strategy has as its fundamental objective the fulfillment of the needs and expectations of its customers and other stakeholders, in a quality Integrated Management System, environment, safety and health at work, implemented, certificate, maintained and continuously improved in accordance with the requirements of the SR EN ISO 9001:2015 standards. SR EN ISO 14001:2015 and SR ISO 45001:2023.

To achieve this strategy and achieve lasting success, the Company's management is committed to ensuring:

- the operation of the electricity system under the conditions established by the European and national regulations in the primary and secondary legislation, to meet the needs and expectations of customers and other stakeholders;
- the organizational framework necessary for the establishment, analyzing and implementing the objectives of the Integrated Quality Management System. environment. occupational safety and health;
- sustainable development and reduction of the negative impact of RET on the environment by:
 - ✓ identification of environmental aspects/associated risks and opportunities.
 - ✓ monitoring of environmental factors. prevention/combating of pollution by using the best available technologies.
 - ✓ decontamination. rehabilitation or ecological reconstruction of land areas and water surfaces affected by the Company's activities.
 - ✓ prevention and reduction of fluorinated greenhouse gas (GHG) emissions: SF6. ozone. Freon, etc.
 - ✓ prevention and reduction of air pollution by within the permissible limits of the concentration of pollutants emitted into the atmosphere (emissions from thermal power plants and cars).
 - ✓ prevention and reduction of water pollution by within the permissible limits of the concentration of pollutants in water.
 - ✓ proper waste management.

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

- ✓ reducing the risk of collision and electric shock to birds.
- ✓ prevention of forest fires by maintaining the safety lane.
- ✓ avoiding the alteration of natural habitats, especially protected natural areas.

At the level of CNTEE Transelectrica SA, it is developed annually. Report on the Analysis of the Integrated Management System and a program of measures for the continuous improvement of the SMI (including the SMM) is approved.

37. Subsequent events

- **Tariff for the purchase of system services**

Based on the provisions of the *Methodology for setting the tariff for the acquisition of system services*, approved by ANRE Order no. 116/2022. CNTEE Transelectrica SA submitted to ANRE. Proposal and substantiation of the tariff for the acquisition of system services starting with January 1, 2026. Taking into account the above, and following the analysis of the substantiation elements of the tariff. ANRE issued Order no. 73/2025. approving **the tariff for the acquisition of system services applicable from 1 January 2026. in the amount of 14.70 lei/MWh.**

- **Tariffs for electricity transmission service**

Based on the provisions of the *Methodology for setting tariffs for the electricity transmission service* approved by ANRE President's Order no. 68/2024. ANRE approved by Order no. 74/2025 the values of the tariffs for the electricity transmission service valid from January 1, 2026. according to the tables below:
Tariff for the introduction of electricity from the networks (TG)

	Tariff from 01 January 2026 (lei/MWh). According to ANRE Order no. 74/16.12.2025. of which:	The tariff component corresponding to the CPT regulated revenue that is recovered from producers (C_CPT_P) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue that is recovered from producers (C_CPT_S_P) (lei/MWh)
Tariff for the introduction of electricity into the transmission network (TG)	3.63	3.18	0.45

Tariff for extracting electricity from networks (TL)

	Tariff from 01 January 2026 (lei/MWh). According to ANRE Order no. 74/16.12.2025. of which:	Tariff component corresponding to non-CPT regulated income (CT_nonCPT) (lei/MWh)	Tariff component corresponding to CPT regulated revenue recovered from final customers (C_CPT_C) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue that is recovered from final customers (C_CPT_S_C) (lei/MWh)
Tariff for extracting electricity from networks (TL)	36.45	25.60	9.14	1.71

- **Decision no. 1 of the Ordinary General Meeting of Shareholders of 08 January 2026**

The Ordinary General Meeting of the Company's Shareholders, pursuant to the provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and completions, of Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and completions, and of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and completions, meeting on January 8, 2026:

- approved the performance of the necessary legal steps, by the shareholders, to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by C.N.T.E.E. Transelectrica S.A., following the vote expressed by it in the meeting of the General Meeting of

Shareholders on November 6, 2013;

- approved the performance of the necessary legal steps, by the shareholders, to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by Transelectrica S.A., following the vote expressed by the latter in the meeting of the General Meeting of Shareholders on September 28, 2020;

- approved the mandate of the legal representatives of Transelectrica S.A. in order to carry out the necessary legal steps, in order to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by C.N.T.E.E. Transelectrica S.A., following the vote expressed by it in the meeting of the General Meeting of Shareholders on November 6, 2013;

- approved the mandate of the Company's legal representatives in order to carry out the necessary legal steps to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by Transelectrica S.A., following the vote expressed by him in the meeting of the General Meeting of Shareholders on September 28, 2020.

- **Military conflict in the Middle East**

Subsequent to December 31, 2025, there were escalations of geopolitical tensions in the Middle East, which generated volatility in international energy markets.

Management assessed these developments and the information that, at the date of approval of the financial statements, they do not indicate the existence of conditions at December 31, 2025 that would require adjustment to the financial statements.

Given the dynamic nature of these events, management continues to monitor the potential impact on the company's business, including on the financial position, performance and cash flows, as well as on the assumption of continuity of activity.

These events are treated as subsequent events that do not require adjustment, in accordance with IAS 10.

- **Moody's reconfirms the Baa3 rating**

The Company informed shareholders and stakeholders that, on March 16, 2026, Moody's Ratings published the Annual Update of the Credit Opinion for C.N.T.E.E. Transelectrica A. Through this report, S.A. reconfirms the long-term credit rating at Baa3, while maintaining the negative outlook and the individual credit profile (BCA) at ba1.

The attached consolidated financial statements were signed by the management on March 18, 2026:

Directorate,

**Stefanita
MUNTEANU
President**

**Cătălin-Constantin
NADOLU**

Member
Directorate

**Cosmin-Vasile
NICULA**

Member
Directorate

**Florin-Cristian
TATARU**

Member
Directorate

Ana-Iuliana DINU
Director of the Economic and Financial
Directorate

Cristiana Zîrnovan
Manager of the Budget and Management Reporting
Department

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
C.N.T.E.E. TRANSELECTRICA S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of C.N.T.E.E. TRANSELECTRICA S.A. and its subsidiaries ("the Group"), with registered office in Olteni Street, numbers 2-4, Bucharest, district 3, identified by unique tax registration code RO 13328043, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.
2. The consolidated financial statements as at 31 December 2025 are identified as follows:
 - Equity 5,897,682 thousand RON
 - Net profit for the financial year 440,158 thousand RON
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as Adopted by EU").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Romania, including the Regulation and the Law 162/2017. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

5. We draw attention to Note 2 of the consolidated financial statements, which describes that the Group prepares two sets of consolidated financial statements, one under statutory regulations, namely Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, and another under IFRS as adopted by EU. These consolidated financial statements are prepared under IFRS as Adopted by EU, which differs from Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, as summarized in Note 2. Consequently, these consolidated financial statements do not comply with Ministry of Public Finance Order no. 2844/2016, with subsequent amendments. Our audit report is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Key Audit Matter	Audit approach within the audit engagement
Recognition of revenue from the electricity transportation activity The revenue generated from the electricity transportation activity constitutes the Group's core business. Recognition of revenue arising from this activity depends on the proper assessment of the contractual consideration and its recording in the relevant period, in accordance with the commercial clauses stipulated in the customer contracts. We consider revenue recognition to be a significant area of audit, as the Company's management may incorrectly account for revenue from the electricity transportation activity due to the nature of sales transactions and contractual clauses regarding the date on which control is transferred over the services provided. Moreover, revenue represents one of the Group's most important key performance indicators. The Group's disclosures regarding revenue are included in Note 22 to the financial statements.	The audit approach for testing revenue related to electricity transmission activities was based solely on substantive testing. Our audit procedures performed to address the risk of significant misstatement in revenue recognition included the following: • We evaluated the Group's accounting policies regarding revenue recognition. • We confirmed, for a selection of customers, the revenue for 2025 to assess the completeness of transactions carried out by the Group with those customers. • We selected a random sample of revenues, which we compared with relevant supporting documents to ensure the accuracy and classification of recorded transactions, also validating the financial period in which they were to be recorded according to the date on which control was transferred over the services provided by the Group as seller to the client as buyer. • We carried out analytical procedures that involved analyzing revenue by comparing the current period with the previous period. • We assessed whether the information presented in the explanatory notes was appropriate.

Other Information

7. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' consolidated report and the Remuneration report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements for the year ended 31 December 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information – Administrator's consolidated report

With respect to the Administrator's consolidated report, we read it and report that it has been prepared, in all material respects, in accordance with the provisions of IFRS.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

- the information included in the Administrator's consolidated report for the financial year for which the consolidated financial statements have been prepared is consistent, in all material respects, with the consolidated financial statements.
- the Administrator's consolidated report has been prepared, in all material respects, in accordance with the provisions of IFRS.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at 31 December 2025, we are required to report if we have identified a material misstatement of this Administrator's consolidated report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- 13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

- 16. The Group's financial statements for the year ended December 31, 2024, were audited by another auditor, who issued an unmodified opinion on those statements on April 30, 2025.

Report on Other Legal and Regulatory Requirements – Public Interest Entities

- 17. We were appointed by the General Meeting of Shareholders on November 11, 2025, to audit the financial statements of C.N.T.E.E. TRANSELECTRICA S.A. for the financial year ended 31 December 2025. The uninterrupted total duration of our commitment is one year, covering the financial year ended December 31, 2025.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Group that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

- 18. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the consolidated financial statements included in the annual financial report of C.N.T.E.E. TRANSELECTRICA S.A. ("the Company") as presented in the digital files which contain this audit report ("**Digital Files**").

(I) *Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF*

Management is responsible for preparing Digital Files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;
- the selection and application of appropriate iXBRL mark-ups;
- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with IFRS.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor's Responsibilities for Audit of the Digital Files

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Company to be submitted in accordance with IFRS;
- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;
- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the consolidated financial statements for the year ended 31 December 2025 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our opinion relating to the consolidated financial statements of the Company for the year ended 31 December 2025 is set out in the *"Report on the audit of the consolidated financial statements"* section above.

The engagement partner on the audit resulting in this independent auditor's report is Alina Mirea.

Alina Mirea, Audit Partner

*For signature, please refer to the original
Romanian version.*

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under AF 1504*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under FA 25*

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
23 March 2026

CNTEE TRANSELECTRICA SA

Company managed in a dualistic system

**Consolidated Financial Statements
on the date and for the financial year ended on
December 31, 2025**

**Prepared in accordance with
International Financial Reporting Standards adopted by the European Union (IFRS-EU)**

CNTEE TRANSELECTRICA SA - IFRS EU
CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

TABLE OF CONTENTS

Consolidated financial position	3
Consolidated Statement of Profit and Loss Account	5
Consolidated statement of changes in equity	7
Consolidated cash flow position	9
Explanatory notes to the consolidated financial statements	11
1. Description of the activity and general information	11
2. Basics of preparation	25
3. Accounting policies	27
4. Determination of fair value	41
5. Tangible fixed assets	42
6. Fixed assets related to rights of use of leased assets	46
7. Intangible assets	48
8. Financial fixed assets	49
9. Inventories	50
10. Trade receivables and other receivables	51
11. Cash and cash equivalents	55
12. Other financial assets	56
13. Equity	56
14. Advance revenue	59
15. Loans	60
16. Obligations regarding employee benefits	62
17. Trade and other liabilities	66
18. Provisions	68
19. Corporate income tax	69
20. Earnings per share	72
21. Other taxes and obligations for social security	72
22. Operating income	72
23. Expenses for system operation and balancing market	76
24. Amortization	78
25. Personnel expenses	78
26. Other operating expenses	79
27. Other gains or losses	80
28. Net financial result	81
29. Fiscal legislative framework	81
30. Commitments and quotas	82
31. Related Parties	89
32. Management Pay	90
33. Minority interests	91
34. Financial instruments	91
35. Fees charged by each statutory auditor or audit firm	97
36. Environmental objectives	98
37. Subsequent events	98

CNTEE TRANSELECTRICA SA - IFRS EU
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025 IFRS	December 31, 2024 IFRS
Assets			
Non-current assets			
Tangible assets	5	6,414,639	5,915,254
Assets representing rights of use under a lease	6	6,958	8,150
Intangible assets	7	51,517	15,371
Investments accounted for using the equity method		3,372	-
Financial assets	8	40,309	40,833
Total non-current assets		6,516,795	5,979,608
Current assets			
Inventories	9	60,662	58,144
Trade receivables and other receivables	10	3,371,004	3,782,840
Corporate tax to be recovered		12,181	-
Cash and cash equivalents	11	761,192	707,174
Total current assets		4,205,039	4,548,158
Total assets		10,721,834	10,527,766
Equity and liabilities			
Equity			
Share capital		733,031	733,031
Share premium		50,222	49,843
Legal reservations		146,606	146,606
Revaluation reserves		1,496,393	1,596,896
Other reserves		299,170	256,747
Retained earnings		3,172,260	2,873,861
Total equity attributable to Group owners	13	5,897,682	5,656,984
Non-controlling interests	33	-	-
Total equity		5,897,682	5,656,984
Non-current liabilities			
Long term deferred revenues	14	831,220	538,015
Long term Borrowings	15	1,471	7,918
Other loans and similar debts - Long-term leasing	17	3,181	1,604
Deferred tax liabilities	19	191,919	209,525
Employee benefits obligations	16	83,979	116,159
Other long-term liabilities	17	-	5,613
Total non-current liabilities		1,111,770	878,834

CNTEE TRANSELECTRICA SA - IFRS EU
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025 IFRS	December 31, 2024 IFRS
Current liabilities			
Trade and other liabilities	17	3,424,075	3,855,244
Other loans and similar debts - short term	17	3,629	7,328
Other taxes and social security obligations	21	22,585	25,537
Current Borrowings	15	184,354	32,641
Provisions	18	38,399	35,953
Short term deferred revenues	14	24,041	22,232
Income tax payable		-	13,013
Employee benefits obligations	16	15,299	-
Total current liabilities		3,712,382	3,991,948
Total liabilities		4,824,152	4,870,782
Total equity and liabilities		10,721,834	10,527,766

The attached consolidated financial statements were signed by the management on March 18, 2026:

Directorate,

**Stefanita
MUNTEANU
President**

**Cătălin-Constantin
NADOLU**

Member
Directorate

**Cosmin-Vasile
NICULA**

Member
Directorate

**Florin-Cristian
TATARU**

Member
Directorate

Ana-Iuliana DINU
Director of the Economic and Financial
Directorate

Cristiana Zîrnovan
Manager of the Budget and Management Reporting
Department

	Note	December 31, 2025 IFRS	December 31, 2024 IFRS
Operating income	22		
Transmission revenues		2,263,255	2,024,457
System service revenues		573,786	633,277
Balancing market revenues		2,676,211	4,965,724
Other revenues		101,248	178,498
Operating expenses			
System Operating Expenses	23	(640,831)	(715,613)
Balancing market expenses	23	(2,676,254)	(4,965,535)
System services expenses	23	(705,985)	(523,611)
Depreciation and amortization	24	(311,527)	(297,314)
Personnel expenses	25	(541,951)	(489,463)
Repairs and maintenance expenses		(81,894)	(66,410)
Materials and consumables		(39,692)	(23,015)
Other operational expenses	26	(195,466)	(173,302)
Net adjustments for impairment of receivables	10	(6,452)	-
Other gains or losses	27	3,848	-
Operating result		418,296	547,693
Financial revenues		35,091	26,879
Financial expenses		(10,872)	(17,204)
Share of profit/(loss) of equity investments		(378)	-
Net financial result	28	23,841	9,675
Profit before income tax		442,137	557,368
Income tax	19	(1,979)	(395)
Result of the year from continuing operations		440,158	556,973
RESULT OF THE EXERCISE			
Attributable:			
Company Shareholders		440,158	556,973
Non-controlling interests		-	-
Basic and diluted earnings per share (lei/share)	20	6.00	7.60

*Diluted earnings are equal to basic earnings as the Group does not hold instruments that could be converted into ordinary shares.

CNTEE TRANSELECTRICA SA - IFRS EU
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025 IFRS	December 31, 2024 IFRS
Result of the exercise		440,158	556,973
Other elements of the comprehensive income			
Items that will not be reclassified in the profit and loss account, of which:			
- Effects of revaluation reserve taxation	5	(787)	(6,014)
- Surplus from the revaluation of tangible assets	13	18,050	-
- Actuarial loss related to the defined benefit plan	16	21,911	(414)
Total other comprehensive income (OCI)		39,174	(6,428)
Total consolidated comprehensive income		479,332	550,545
Attributable:			
Company Shareholders		479,332	550,545
Non-controlling interests		-	-

The attached consolidated financial statements were signed by the management on March 18, 2026:

Directorate,

**Stefanita
MUNTEANU
President**

**Cătălin-Constantin
NADOLU**

Member
Directorate

**Cosmin-Vasile
NICULA**

Member
Directorate

**Florin-Cristian
TATARU**

Member
Directorate

Ana-Iuliana DINU
Director of the Economic and Financial
Directorate

Cristiana Zîrnovan
Manager of the Budget and Management Reporting
Department

CNTEE TRANSELECTRICA SA – IFRS EU
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Non-controlling interests	Total
Balance on January 1, 2025	733,031	49,843	146,606	1,596,896	256,747	2,873,861	5,656,984	-	5,656,984
Comprehensive result of the period									
Result of the period	-	-	-	-	-	440,158	440,158	-	440,158
Other comprehensive revenue items									
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	21,911	21,911	-	21,911
Surplus from revaluation of tangible assets	-	-	-	18,050	-	-	18,050	-	18,050
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(787)	-	-	(787)	-	(787)
Total other comprehensive revenue items	-	-	-	17,263	-	21,911	39,174	-	39,174
Total comprehensive result of the period	-	-	-	17,263	-	462,069	479,332	-	479,332
Increase of the legal reserve	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves to retained earnings	-	-	-	(117,767)	-	117,767	-	-	-
Minority interests	-	-	-	-	-	-	-	-	-
Other elements	-	379	-	-	-	(2,152)	(1,773)	-	(1,773)
Total other items	-	379	-	(117,767)	-	115,615	(1,773)	-	(1,773)
Subsidies related to fixed assets of a public heritage nature	-	-	-	-	42,423	-	42,423	-	42,423
Other reserves	-	-	-	-	-	-	-	-	-
Dividend Distribution (Note13)	-	-	-	-	-	(279,285)	(279,285)	-	(279,285)
Total transactions with owners	-	-	-	-	42,423	(279,285)	(236,861)	-	(236,861)
Balance on December 31, 2025	733,031	50,222	146,606	1,496,393	299,170	3,172,260	5,897,682	-	5,897,682

The attached consolidated financial statements were signed by the management on March 18, 2026:

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CNTEE TRANSELECTRICA SA – IFRS EU
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Non-controlling interests	Total
Balance on January 1, 2024	733,031	49,843	146,606	1,738,703	195,751	2,204,203	5,068,137	-	5,068,137
Comprehensive result of the period									
Result of the period	-	-	-	-	-	556,973	556,973	-	556,973
Other comprehensive revenue items									
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	(414)	(414)	-	(414)
Surplus from revaluation of tangible assets	-	-	-	-	-	-	-	-	-
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(6,014)	-	-	(6,014)	-	(6,014)
Total other comprehensive revenue items	-	-	-	(6,014)	-	(414)	(6,428)	-	(6,428)
Comprehensive result of the period	-	-	-	(6,014)	-	556,559	550,545	-	550,545
Increase of the legal reserve	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves to retained earnings	-	-	-	(135,761)	-	135,761	-	-	-
Minority interests	-	-	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	(2,137)	(2,137)	-	(2,137)
Total other items	-	-	-	(135,761)	-	133,624	(2,137)	-	(2,137)
The derecognition of fixed assets of the nature of public patrimony through the registration of GD no. 615, 682 and 683 of 2019 amending the inventory of public domain goods	-	-	-	(31)	-	-	(31)	-	(31)
Subsidies related to fixed assets of a public heritage nature	-	-	-	-	60,996	-	60,996	-	60,996
Other reserves	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(20,525)	(20,525)	-	(20,525)
Total transactions with owners	-	-	-	(31)	60,996	(20,525)	40,440	-	40,440
Balance as of December 31, 2024	733,031	49,843	146,606	1,596,896	256,747	2,873,861	5,656,984	-	5,656,984

The attached consolidated financial statements were signed by the management on March 18, 2026:

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CNTEE TRANSELECTRICA SA - IFRS EU
CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025 IFRS	December 31, 2024 IFRS
Cash flows from operational activities			
Result of the period		440,158	556,973
Adjustments for:			
Income tax expense		1,979	395
Depreciation expenses		311,527	297,314
Expenses with adjustments for impairment of trade receivables		2,598	34
Income from the reversal of provisions for the impairment of trade receivables		(1,579)	(6,968)
Losses from various debtors		4,607	9,308
Net income with adjustments for impairment of miscellaneous debtors		934	(13,428)
Net expenses with inventory impairment adjustments		3,337	(1,480)
Profit/Loss on sale of property, plant and equipment, net		2,575	2,080
Net impairment expenses related to property, plant and equipment		(7,227)	9
Expenses/Income on provisions for risks and expenses, net		822	(20,612)
Net financial expenses related to impairment adjustments for fixed assets		1,775	389
Interest expenses, interest income and unrealized income from exchange rate difference		(24,300)	(11,362)
Cash flows before changes in working capital		737,206	812,652
Changes in:			
Inventories		(5,815)	6,923
Clients and similar accounts		410,379	(1,655,313)
Trade and other liabilities		(521,898)	1,683,048
Investments accounted for using the equity method	8	378	-
Other taxes and social insurance liabilities		(2,951)	(510)
Deferred revenues		308,333	43,495
Cash flows from operational activities		925,632	890,295
Interest paid		(2,545)	(2,759)
Paid income tax		(44,488)	(32,150)
Net cash generated from operational activities		878,599	855,386
Cash flows used in investment activity			
Acquisition of tangible and intangible assets		(746,494)	(687,111)
Participation titles held in GECCO Power Company		(3,750)	-
Proceeds from EC non-reimbursable financing		29,104	42,494
Received Interests		6,604	7,008
Proceeds from the sale of property, plant and equipment		5,733	3,374
Dividends received		23,118	15,761
Net cash used in investment activity		(685,685)	(618,474)

CNTEE TRANSELECTRICA SA - IFRS EU
CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2025
(All amounts are expressed in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2025 IFRS	December 31, 2024 IFRS
Cash flows used in financing activity			
Repayments of non-current borrowings	15	(24,239)	(23,978)
Use of credit line Smart and Teletrans	15	-	1,281
Lease payments	6	(12,379)	(12,247)
Dividends paid	13	(279,699)	(21,694)
Net cash used in financing activities		(316,317)	(56,638)
Cash and cash equivalents as at January 1 st		707,174	526,900
Net decrease/increase in cash and cash equivalents		(123,403)	180,274
Cash and cash equivalents at the end of the period		583,771	707,174

The attached consolidated financial statements were signed by the management on March 18, 2026:

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Explanatory notes to the consolidated financial statements

1. Description of the activity and general information

The main activity of CNTEE Transelectrica SA (the "Company") and of the companies that enter the consolidation perimeter (together with the Company, the "Group") consist of: the provision of the electricity transmission service and the system service, balancing market operator, administrator of the bonus support scheme, other related activities. These activities are carried out in accordance with the provisions of the operating license no. 161/2000 issued by ANRE, updated by ANRE Decision no. 1793/26.08.2025 (until 22.12.2025), and starting with 23.12.2025, based on license no. 2706/2025 issued by ANRE, with subsequent amendments and completions 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 address of the registered office is: Olteni Street no. 2 – 4 sector 3, Bucharest, Romania. Currently, the activity of the Company's executive is carried out within the registered office in Olteni Street no. 2-4 sector 3, Bucharest.

The Group's consolidated financial statements as of December 31, 2025 prepared in accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments (IFRS-EU) are available at the Company's registered office located at 2-4 Olteni Street, sector 3, Bucharest.

Since 2006, the Company's shares have been traded on the Bucharest Stock Exchange under the symbol TEL.

In accordance with the Resolution of the Extraordinary General Meeting of Shareholders dated July 18, 2012, the Company switched from the unitary management system to the dualistic management system in order to achieve the clear separation of the management activity from the control activity. Thus, the Company is managed by a Directorate, under the supervision of a Supervisory Board.

Company Establishment

In accordance with the Government Decision ("GD") no. 627 on the reorganization of the National Electricity Company - SA ("Predecessor Entity"), issued on July 31, 2000 by the Romanian Government, it was divided into four newly created entities ("Successor Entities"). The sole shareholder of the successor Entities was the Romanian State, through the Ministry of Economy ("ME"). Following this reorganization, CNTEE Transelectrica SA was established as a joint stock company and with the main object of activity transport, dispatching of electricity, organization and administration of the electricity market.

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

On 14.11.2019, Depozitarul Central S.A. recorded 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 to the Government, as a result of the implementation of the provisions of the Government Emergency Ordinance no. 68/06.11.2019 on the establishment of measures at the level of the central public administration and for the modification and completion of some normative acts.

As presented in Note 13, the shareholders of CNTEE Transelectrica SA as of December 31, 2025 are: the Romanian State represented by the General Secretariat of the Government which holds a number of 43,020,309 shares (58.69%), the privately managed pension fund NN with a number of 4,007,688 shares (5.47%), PAVAL HOLDING with a number of 4,753,567 shares (6.49%), other shareholders Legal Entities with a number of 16,839,437 shares (22.97%) and other shareholders Individuals with a number of 4,682,141 shares (6.38%).

These Consolidated Financial Statements prepared as of and for the financial year ended December 31, 2025, include the financial information of the parent company and of the consolidated companies Smart SA and Teletrans SA, but also of the jointly controlled company GECO Power Company.

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

GROUP STRUCTURE

The companies that enter the scope of consolidation as well as the percentage of the participations held by the Company are presented below:

Entity	Country From Origin	December 31, 2025	December 31, 2024	Consolidation method
		% participation	% participation	
SMART SA	Romania	100%	100%	Global integration
TELETRANS SA	Romania	100%	100%	Global integration
GECO POWER COMPANY	Romania	25%	0%	Equivalence

SMART SA

The Commercial Company for Maintenance Services of the Electricity Transmission Network "SMART" SA was established in 2001, by GD no. 710/19.07.2001 through the reorganization of some activities within Transelectrica.

The address of the registered office is in Magheru Blvd. no. 33 sector 1 Bucharest and the headquarters is at the Gheorghe Șincai Blvd. no. 3, "Formenerg" Building, 1st floor, sector 4 Bucharest.

The company's main activity is to carry out overhauls and repairs to primary equipment and equipment in the electrical networks (so that the RET installations operate in safe conditions at the level of performance required by the license), remediation of incidents at electrical installations, provision of services in the energy field, 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 remains, that of ensuring preventive maintenance, special works and corrective maintenance of the Electricity Transmission Network (RET) starting from Transelectrica's primary objective: to ensure the transmission of electricity in the national transmission network in safe and stable conditions.

The company offers professional services at a high level of performance, respectively, maintenance, repairs, expertise, consultancy for:

- Low, medium, high and very high voltage switchgear and equipment – up to and including 750kV,
- Equipment and circuits for protection, automation, measurement, command – control,
- 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 of 31.12.2025 is 38,529, Transelectrica being the sole shareholder. SMART's results are consolidated with the Company's financial results. SMART shares are 100% owned by Transelectrica.

TELETRANS SA

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

The address of the registered office is in 16 – 18 Hristo-Botev Blvd., sector 3, Bucharest and the head office is at the work point at 12 Str. Stelea Spătarul Street, sector 3, Bucharest.

The company has a high level of competence in profoundly unique areas of systems and process management in the energy industry.

Based on the Statute and the applicable normative acts, Teletrans holds the ANCOM certificate of provider of electronic communications networks or services since 2002 (O.U.G. no. 679/2002), through

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

which it benefits from the right to provide the following electronic communications services:

- Public electronic communications networks (as of 11.11.2004);
- Electronic communications services intended for the public: (i) Leased line services and (ii) Electronic communications services, other than telephony and leased lines (as of 01.07.2003);
- Private electronic communications networks and services (starting with 15.01.2003).
- Also, TELETRANS staff benefits from relevant certifications in the operation and administration of IT&C systems dedicated to critical infrastructures.

TELETRANS uses a fiber optic network built in a reliable OPGW technology, with access points in 110 localities, as well as cross-border connections with Hungary, Bulgaria and Serbia and provides EMS/SCADA system integration services for renewable energy producers and new command-control systems in refurbished 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 electrical stations, maintenance services of the telemetering system related to the wholesale electricity market and telecommunications services by selling the surplus of existing capacities in the fiber optic communication infrastructure.

On September 23, 2025, the merger procedure was completed by absorption between the Company for Telecommunications Services and Information Technology in Electrical Transmission Networks – TELETRANS S.A., as the absorbing company, and the company "Formenerg" S.A., as the absorbed company. According to the applicable legislation, as of September 23, 2025, Teletrans has taken over all the rights and obligations assumed prior to the merger by Formenerg. The company Formenerg 100% owned by Transelectrica as of 31.12.2024 has not been consolidated as mentioned in Note 3 a (i).

The subscribed and paid-up share capital as of 31.12.2025 is 6,978, Transelectrica being the sole shareholder. Teletrans's results are consolidated with the Company's financial results. TELETRANS shares are 100% owned by Transelectrica.

GECO POWER COMPANY

The company established on January 31, 2025 according to the Registration Certificate issued by the ONRC, is a Romanian legal entity, constituted in the form of a limited liability company.

The company was established in accordance with:

- Decision no.4 of the Extraordinary General Meeting of Shareholders of August 12, 2024 by which the Extraordinary General Meeting of Shareholders of the Company approved the Company's participation in the share capital of a new company, together with the other relevant parties designated at the level of the Republic of Azerbaijan, Georgia, and Hungary, except for the main object of activity which will be "Activities of holding companies" activity coded NACE 642, respectively 6420,
- The Memorandum of Understanding by which the Parties agree to make the necessary efforts to take the necessary steps to establish a Joint Venture company, based in Romania, between Transelectrica, AzerEnerji JSC, Georgian State Electrosystem and MVM Zrt., signed on May 27, 2024 in Bucharest,
- Memorandum of Understanding between the relevant ministries of Romania, the Republic of Azerbaijan, Georgia, Romania and Hungary on cooperation in the field of green energy, signed on 21.11.2023 in Budapest (Hungary),
- The Memorandum of Understanding on the establishment of a Joint Venture company between the relevant entities of the governments of the Republic of Azerbaijan, Georgia, Romania and Hungary signed on 25.07.2023 in Bucharest, by which Transelectrica is designated as a relevant party for Romania,
- Agreement of 17 December 2022 between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the Development and Transmission of Green Energy, taking into account the joint initiative of Georgia and Romania for the development and implementation of the Black Sea submarine cable project and the ongoing feasibility study for this project which started on 11 April 2022, initiated by Georgia, which was joined by Romania and the Republic of Azerbaijan,

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

The address of the registered office is in Romania, Bucharest, Sector 3, 2-4 Olteni Street, 3rd floor, room 306, the object of activity being Activities of holding companies.

The subscribed and paid-up share capital of the company is 15 million lei, being divided into a number of 1,500,000 shares with a nominal value of 10 lei/share

The share capital is held by the shareholders as follows:

- "AZERENERJI" Open Joint Stock Company, contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of 10 lei/share and in a total amount of 3.75 million lei, 25% profit share and 25% loss share,
- JSC Georgian State Electrosystem, contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of RON 10/share and in a total amount of RON 3.75 million, profit sharing 25% and loss loss 25%,
- MVM Energy Private Limited Liability Company contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of RON 10/share and in a total amount of RON 3.75 million, profit sharing 25% and loss loss 25%,
- The National Electric Energy Transmission Company Transelectrica SA, contribution to the subscribed capital 25% representing a number of 375,000 shares with a nominal value of RON 10/share and in a total amount of RON 3.75 million, profit sharing 25% and loss loss 25%.

Group Mission

The Group's mission is to ensure the functioning of the National Energy System (SEN) in conditions of maximum safety and stability, meeting quality standards, thus creating the infrastructure of the national electricity market and guaranteeing, at the same time, regulated access to the electricity transmission network, in conditions of transparency, non-discrimination and equidistance for all market participants.

Other information related to the Group's activity

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

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

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

Transelectrica SA is an affiliated member of the following international bodies:

- ENTSO – E - European Network of Transmission System Operators for Electricity;
- CIGRE - International Council of Large High Voltage Power Grids;
- LWA - International Association of Work Under Tension;
- WEC - World Energy Council.

CNTEE Transelectrica SA has the obligation to ensure the long-term capacity of the system to meet reasonable electricity transmission demands, to operate, maintain and develop in economic conditions a safe, reliable and efficient transmission system that respects the environment, in close cooperation with neighbouring transmission and system operators and distribution operators, fulfilling the provisions of EU Directive 2019/944, art. 40.

The year began with the reconfirmation by Moody's, on January 17, 2025, of the Baa3 rating with a stable outlook, the basic credit rating (BCA) being maintained at the ba1 level. This analysis highlighted the low

risk profile, supported by the Company's natural monopoly position and the maintenance of balanced financial indicators.

Subsequently, on March 18, 2025, the agency aligned the perspective of Transelectrica's rating with that of Romania's sovereign rating, which became "negative", while the issuer rating **(Baa3) and BCA (ba1)** remained unchanged.

As of December 31, 2025, the credit profile of CNTEE Transelectrica SA maintains its solidity, being confirmed in the investment-grade **category (Baa3)** for the fourth consecutive year. The evolution of this financial year reflects the correlation between the Company's operational stability and the dynamics of the current macroeconomic context.

The upward trend of Transelectrica's shares, supported by a prudent level of indebtedness, underlines the solidity of the investment profile, with investors prioritising internal creditworthiness indicators over fluctuations in the external macroeconomic context.

Legislative environment

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

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

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

The Company's operational activity is carried out as follows:

- until 22.12.2025, based on the license no. 161/2000 for the transmission of electricity and the provision of the system service issued by ANRE, updated by ANRE Decision no. 1793/26.08.2025,
- starting with 23.12.2025, based on the license no. 2706/2025 for the provision of the electricity transmission service, as well as the system balancing services, and the General Conditions associated with the license approved by ANRE Order no. 104/2014, as subsequently amended and supplemented.

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

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

Final certification of Transelectrica as a TSO of the SEN, according to the ownership separation model

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

The model of separation of ownership rights became available to the Company pursuant to Law no. 123/2012 on electricity and natural gas transposing Directive 2009/72/EC.

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

This order implements the provisions of the European Union and national legislation regarding the certification of the transmission system operator.

The notification regarding the certification was sent to the European Union, which published it in the EU

Journal on 08.01.2016, in accordance with Art.10 para. (2) of Directive 2009/72/EC.

Tariff for electricity transmission service and system service

The electricity transmission activity is an activity of public interest, with the character of a natural monopoly, authorized and monitored by the National Energy Regulatory Authority (ANRE).

The tariffs related to the transmission and system services are established and approved by ANRE based on the specific methodologies, which constitute the framework for calculating the tariffs. (see Note 28(f)).

The methodology for setting tariffs for the electricity transmission service is based on the "revenue cap" principle, under which **the total allowed revenue** is determined based on the regulated costs recognized by ANRE. The cost base includes:

- **operational costs** (controllable and uncontrollable OPEX),
- **capital costs** (investments, regulated depreciation, return on invested capital).

The model aims to ensure the efficient operation of the transmission network, maintain the financial viability of the operator and adequately remunerate the capital invested. It includes mechanisms to boost operational efficiency, as well as a profitability framework based on **the Regulated Asset Base (BAR)** and the **Regulated Rate of Return (RRR)**, determined according to the weighted average cost of capital (WACC).

The pricing of electricity transmission services is carried out during regulatory periods. Regulatory periods are multiannual tariff regulatory cycles (5 years), during which a tariff calculation methodology is applied and for which a complete set of parameters is predetermined over the horizon of those periods for the actual calculation of tariffs. The establishment of pricing parameters over multi-year horizons provides a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

At the beginning of each regulatory period, ANRE establishes **the initial annual target revenue**, determined by summing the recognized regulated costs and the regulated profitability related to the regulated asset base. Both operational and capital costs are included in the structure of regulated costs, but certain categories of expenditure are subject to efficiency requirements that limit the level recoverable by the regulated tariff (e.g. controllable operating and maintenance costs and own technological consumption costs).

The series of annual target revenues for a regulatory period is subsequently reprofiled through a linearisation procedure in order to avoid significant variations in regulated revenues from one tariff year to another. Linearisation contributes to the stability of tariffs and the predictability of cash flows by evenly distributing the revenues allowed throughout the regulatory period. The reprofiled income is adjusted annually with the consumer price index to reflect the evolution of economic costs.

Within a regulatory period, tariffs are reviewed annually and remain valid for periods of 12 months. The differences between the forecast and the actual values of the parameters used in the calculation of the tariff are regularised by **explicit corrections**, applied in the following tariff years or at the beginning of the next regulatory period.

For certain categories of costs, which are subject to caps, exceeding the forecast level of those costs is not compensated. Also, in the case of certain cost components, the savings achieved are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- **Operational costs:** controllable OPEX (subject to efficiency factors), uncontrollable costs, own technological consumption (CPT), internal congestion, costs and revenues related to the ENTSOE mechanism (ITC);
- **Capital costs:** planned investments in the network, Regulated Asset Base (BAR), regulated depreciation, return on invested capital ($RRR \times BAR$);
- The amount of electricity that can be charged, the price of reactive energy.

Transmission tariffs are invoiced on the basis of the quantities of active energy introduced or extracted from public electricity grids, excluding imports and exports. Transelectrica charges:

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

- **TG** – tariff for the introduction of energy into the grid,
- **TL** – the tariff for extracting energy from the grid.

TG does not apply to energy produced by plants with an installed capacity ≤ 5 MW or to imported energy. The TL does not apply to exported energy.

The year 2025 is the first year in the series of five consecutive years that form the fifth period of multiannual tariff regulation for the electricity transmission activity (January 1, 2025 – December 31, 2029).

The main coordinates of the fifth regulatory period are established by ANRE based on the specific regulatory framework, respectively the methodology for setting the tariff for the electricity transmission activity, approved by *ANRE Order no. 68/2024* with subsequent amendments and completions.

Compared to the fourth regulatory period (January 1, 2020 – December 31, 2024), the framework applicable to the fifth period (2025–2029), established by ANRE Order no. 68/2024, maintains the fundamental regulatory principles of the "ceiling income" type, the structure of regulated income and its formation, the recovery of operating costs, the recovery and remuneration of the capital invested in regulated assets, the nature of the incentive elements, the method of collecting regulated income and the efficiency mechanisms.

The main novelty elements introduced by ANRE Order no. 68/2024

- **Specific investment incentives:**
 - ✓ +1 pp to RRR for investments made from own sources exceeding the annual minimum mandatory amount.
 - ✓ +0.5 pp to RRR for fixed assets related to projects co-financed by non-reimbursable European funds, put into operation in the period 2025–2029.
- **Performance mechanism (KPI):**
 - ✓ adjustment of the RRR by ± 0.5 pp depending on the annual performance of the TSO on smart grid development, energy efficiency and integration of renewable sources;
 - ✓ the base levels of RRR are 6.94% for network assets and 4.94% for non-network assets.
- **Differential treatment for certain assets:**
 - ✓ for administrative buildings and facilities put into operation after January 1, 2025, RRR is reduced by 2 pp.

These changes aim to increase investment discipline and to tighten the correlation between costs, performance and tariff levels.

Starting with April 1, 2025, the legislative framework on the capping of electricity prices ceases to be applicable, which leads to the elimination of exceptional mechanisms of intervention on prices on wholesale markets and, implicitly, on the costs of technological own consumption recognized in tariffs. In the new context, the energy costs for covering the own technological consumption in the transmission network will be recognized and recovered within the standard regulatory mechanism for the fifth regulatory period, in accordance with the methodology approved by ANRE Order no. 68/2024, maintaining the principles of prudence, efficiency and financial sustainability for the transmission system operator.

System services (SS) represent the set of technical services necessary to maintain the operational safety of the National Electricity System (SEN), the permanent balance between production and consumption and the maintenance of electricity quality parameters. These services are purchased by the transmission system operator (TSO) from electricity producers and are provided to SEN users.

The SS tariff is established and approved by ANRE based on the Methodology approved by ANRE Order no. 116/2022. The methodology is based on a mechanism that fully covers the justified costs of the TSO with the acquisition and management of system technology services, without generating additional profit for the operator.

The SS tariff includes:

- the projected costs of the acquisition of system services (reserves for active power frequency

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

regulation, reactive voltage-power regulation, defense and restoration services),

- exposed corrections for differences between forecasted and actual costs,
- adjustments for the variation in the volume of tariffable electricity.

The SS tariff applies to all quantities of electricity extracted from public electricity networks and is invoiced to suppliers and final consumers. The revenues related to this tariff are intended exclusively to cover the costs of the acquisition and supply of SS, and any differences from the recognised costs are regularised in the following years.

Regulated Asset Base ('BAR')

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

In 2025, the regulated rate of return on assets for the electricity transmission activity, expressed in real terms before tax, had the following values:

- 6.94% value established in ANRE regulations and applied between January 1, 2025 and December 31, 2025.

Compared to the RRR base value of 6.94% established for the fifth regulatory period, we specify that the ANRE regulations in force provide for specific variations depending on the nature of the assets and the source of financing: an incentive of 0.5 percentage points above the base rate (total 7.44%) applicable to the co-financing rate for investments made through non-reimbursable funds, respectively a decrease of 2 percentage points (total 4.94%) for endowment-type assets, according to the methodology for calculating the Regulated Assets Base.

At the beginning of 2025, the BAR value related to the electricity transmission activity, established by ANRE based on the investments made by CNTEE Transelectrica SA in the fourth regulation - is approx. 3,397 million lei, this value comprising the revaluation of fixed assets as of December 31, 2023, accepted by ANRE in the amount of approximately 850 million lei. By investments made we mean completed investments, respectively objectives put into operation and recorded as fixed assets in the Company's accounting records.

The total volume of investments approved for the fifth regulatory period is approx. 2,973 million lei. Of this total volume, it was forecast that a part in the amount of approx. 1,454 million lei representing approx. 49% of the total approved investment volume will be financed from non-reimbursable European funds and from the revenues obtained by Transelectrica from the allocation of cross-border interconnection capacity. Thus, in the programming of the Regulated Assets Base for the fifth regulatory period, a volume of RON 1,519 million was included, representing approx. 51% of the total approved investment volume, respectively the part of the total approved investment volume that is estimated not to be financed from the non-reimbursable sources mentioned above.

Transelectrica's inclusion in local and international stock market indices

The shares issued by Transelectrica have been traded since 29.08.2006 on the regulated market, administered by BVB, at category I, under the symbol TEL. Starting with 05.01.2015, the Company is classified in the Premium category of the regulated market administered by BVB.

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

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

On July 29, 2024, 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 finance (except investment funds) of which Transelectrica is a member.

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

Group Revenues

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

The main revenue-generating activities for the Group are represented by the provision of the following services:

- Electricity transmission service;
- System Services
- Balancing Market Operator.

Electricity transmission service

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

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

The electricity transmission activity carried out by the Company consists in ensuring the technical conditions and maintaining the RET parameters at the time of introducing/taking over the energy in/from the RET.

System Services

The company has the task of permanently maintaining the operation of the national energy system in safe conditions and in compliance with the quality standards provided in the technical code of the electricity transmission network. For this purpose, the Company purchases system services from electricity producers .

The system services are purchased based on a competitive procedure regulated by ANRE, from the producers, at the request of the Company, in order to maintain the level of safety in operation of the SEN as well as the quality of the transported energy at the parameters required by the legislation in force. The company re-invoices the entire value of the system services purchased from the producers (except for the active energy component to cover losses in the RET) to the electricity suppliers licensed by ANRE who ultimately benefit from these services.

Balancing market operator

The mode of operation of the balancing market is stipulated in:

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

The Balancing Market allows the balance of production and consumption in real time, using resources offered in a competitive system. The balancing market also guarantees the full fulfilment of the contractual obligations assumed by the participants in the energy market.

The aim of the balancing market is to balance the production and consumption of electricity and to improve the accuracy of forecasts for this purpose of market participation. This is ensured by trading energy contracted in excess or not contracted, but consumed by market participants. Transelectrica, based on the procedures and regulations approved by ANRE, must approve all participants in the balancing market, collect, verify, process all bids and carry out settlement procedures.

The most important contribution to the functioning of the balancing market is the National Energy Dispatcher. The National Energy Dispatcher is responsible for supervising the proper and safe operation of

the SEN, ensuring at all times the balance of production and consumption.

The balancing market is used by Transelectrica to ensure real-time balancing of consumption with production, to guarantee the safe and stable operation of the SEN and for the administration of any restriction within the SEN.

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

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

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

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

At the same time, starting with October 2023, Transelectrica has the status of ODPE.

According to the provisions of the Order of the President of ANRE no. 127/08.12.2021, with subsequent amendments and completions, in order to ensure the functioning of the Electricity Market, TSO – respectively Transelectrica collects: the amounts due by the PRE (Parties Responsible for Balancing) for:

- the amount of the payment obligations of the PRE for the negative imbalances produced in the contract month, determined for that month according to the Information Note for the monthly settlement of the PRE imbalances or the Monthly Regularization Note, issued by ODDPRE (the operator for the settlement of the imbalances of the parties responsible for balancing);
- the amount of the payment obligations of the PRE for the provision of services corresponding to the value in the module for the positive imbalances produced in the contract month presented with the negative sign, in the Information Note for the monthly settlement of the PRE imbalances or in the Monthly Adjustment Note, issued by the TSO as ODDPRE;
- additional costs arising from balancing the system.

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

- the payment obligations of the ESF for the values of the quantities of balancing energy actually delivered at power reduction, within the framework of the definitive transactions for the delivery of balancing energy, established according to the Information Note for the monthly settlement on the EP or the Monthly Regularisation Note, issued by the TSO;
- the payment obligations of the ESF for the provision of services, corresponding to the value in the module for the amount of balancing energy actually delivered at the power increase, presented with a negative sign in the Information Note for the monthly settlement on the EP or in the Monthly Regularisation Note, issued by the TSO;

and pay

PRE for:

- the value of the collection rights for the positive imbalances produced in the contract month, determined for that month according to the Information Note for the monthly settlement of PRE imbalances or the Monthly Adjustment Note, issued by ODDPRE;
- the value of the collection rights for the provision of services corresponding to the value in the module for the negative imbalances produced in the contract month, presented with a negative sign, in the Information Note for the monthly settlement of PRE imbalances or in the Monthly Regularization Note, issued by the TSO as ODDPRE.
- additional revenues from system balancing

ESF (Balancing Service Providers) for:

- the collection rights of the ESF for the values of the quantities of balancing energy actually delivered at the increase in power, within the definitive transactions for the delivery of balancing energy, established according to the Information Note for the monthly settlement on the EP or the Monthly Regularization Note, issued by the TSO;
- the collection rights of the PPE for the values of the provision of services, corresponding to the value in the module for the quantity of balancing energy actually delivered at power reduction, presented with a negative sign, in the Information Note for the monthly settlement on the EP or in the Monthly Adjustment Note, issued by the TSO.

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

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

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

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

Process of compensating imbalances between all transmission system operators - IN Platform (Imbalance Netting)

As of 01.01.2021, the European platform, the International Grid Control Cooperation (IGCC) or the IN (Imbalance Netting) Platform for the process of compensating imbalances between all TSOs, which carries out the automatic frequency restoration process pursuant to Part IV of Regulation (EU) 2017/1485, implements, has come into operation.

We specify that the International Grid Control Cooperation (IGCC) is the project that was chosen in 2016 by ENTSO-E, to become the future European platform for the imbalance compensation process, as defined in Regulation (EU) no. Commission Regulation (EC) No 2017/1485 of 2 August 2017 establishing a guideline on the operation of the electricity transmission system (Art. 22). The IGCC initiative was started in 2010 by operators in Germany and subsequently extended to the level of the European central systems, representing a way of optimizing the secondary regulation of frequency – exchange power, by reducing the contrary actions of the regulators of the member operators, thus resulting in an optimized use of the system reserve "Frequency Restoration Reserve with automatic activation" of the RRF, at the overall level.

High-efficiency cogeneration

Starting with April 1, 2011, the Company is the administrator of the support scheme for the promotion of high-efficiency cogeneration. The objective of this support scheme is to promote high-efficiency cogeneration electricity production systems, with the advantage of producing energy with low polluting emissions. The aim is to facilitate the market access of high-efficiency cogeneration generation systems by granting a cogeneration bonus, given that the costs of electricity and heat production in cogeneration

plants are higher than the market prices of the two forms of energy. The scheme is intended for electricity and heat producers that own or commercially operate high-efficiency cogeneration plants, in order to stimulate new investments in cogeneration systems, as well as the refurbishment of existing plants. The effective implementation of the support scheme in Romania took place on 1 April 2011, after the adoption by the National Energy Authority (ANRE) of the regulatory framework necessary for the implementation of this scheme.

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

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

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

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

The scheme applies to producers of electricity and heat in cogeneration who have requested ANRE to grant the bonus for electricity produced in high-efficiency cogeneration, delivered in the SEN, for the cogeneration capacities included in the list of producers of electricity and heat in high-efficiency cogeneration until December 31, 2016. Producers benefit from the support scheme for a maximum period of 11 consecutive years, without exceeding 2023, the year at the end of which the scheme ends. The bonus, granted upon request, represents the amount (in lei) received by producers for each MWh produced in high-efficiency cogeneration and delivered to the SEN networks, is established annually by ANRE and is calculated as the difference between the total production costs of an equivalent cogeneration plant, with high-efficiency electricity production, and the revenues that can be obtained by it using the market price of electricity, respectively the unit cost of thermal energy resulting for an equivalent thermal power plant, the difference in relation to the electricity delivered in the SEN by the cogeneration plant.

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

In accordance with the provisions of art. 14 of the Government Decision no. 1215/2009, CNTEE Transelectrica SA is designated as responsible for the administration of the support scheme. The main duties incumbent on the Company as administrator of the support scheme are represented by the collection of the contribution from the suppliers of electricity consumers in a bank account distinct from the core activity and the payment of the bonus to the producers of electricity and heat in high-efficiency cogeneration; concluding contracts with suppliers for the collection of the contribution and with the producers who will be the beneficiaries of the scheme; verification of the amount of the contribution collected; issuing invoices to suppliers; the return of the contribution for high-efficiency cogeneration to suppliers who introduce electricity produced in high-efficiency cogeneration in Romania in other Member States of the European Union; monitoring and reporting to ANRE on the administration of the support scheme.

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

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

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

- ✓ In order to receive the bonus, producers are obliged not to register debts to the administrator of the support scheme or to have concluded agreements for the compensation of debts and receivables;
- ✓ the overcompensation is recovered according to national and European Union legislation in the field of state aid;
- ✓ the overcompensation/undue bonus left unpaid by the producers, for which all legal steps have been taken, will be recovered by including the amount in the contribution for cogeneration, according to the methodology issued by ANRE;
- ✓ ANRE decisions regarding the amount of overcompensation and/or undue bonus are binding on producers and are implemented for recovery by issuing a decision by the scheme administrator in accordance with the legislation in the field of state aid;
- ✓ The financial closure of the support scheme is made in the first half of 2024, according to the regulatory framework developed by ANRE.

On 25.03.2022, by Government Decision no. 409/2022, 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 demand for useful thermal energy. Thus, the period of application of the support scheme is extended until 2033, exclusively for producers who meet the conditions to access the extension of the support scheme.

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

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

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

At the same time, the financial closure of the support scheme is also extended and will be carried out in the first half of 2034.

Price coupling mechanism of electricity markets

The application of the price coupling mechanism started on November 19, 2014, the date on which the "4 Market Coupling (4MMC)" project, which provides for the union of the PZU (Next Day Market) electricity markets in Romania, Hungary, the Czech Republic and Slovakia, entered the operation phase.

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

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

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

On June 8, 2022, the Core FB MC (Core Flow-Based Market Coupling) project was put into operation, thus initiating the market coupling for the next day based on flows in the Core capacity calculation region.

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

The flow-based market coupling mechanism optimises the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

The Single Intraday Market Coupling Mechanism shall ensure the continuous harmonisation of bids to bid market participants in a bidding zone with bid bids within its own bidding zone and in any other bidding zone where cross-border capacity is available.

From the point of view of the internal regulatory framework, the roles and responsibilities of the operators involved in the Company and SC OPCOM SA, as well as the operations that are carried out within the coupling of the markets are provided in the Regulation on the organization and functioning of the market for the next day of electricity in compliance with the mechanism of coupling by price of the markets and the amendment of some normative acts regulating the market for the next day of electricity, approved by ANRE Order no. 82/2014 (Regulation).

The target model for the day-ahead market, based on the principle of Price Coupling of Regions (PCR), uses a unique bid matching and pricing algorithm.

In the event that coupling is not possible, the TSOs of those countries apply the fallback procedures, through which cross-border capacity is allocated.

Art. 138 of the Regulation provides that in the post-coupling process, the Transmission and System Operators (TSOs) have the role of transfer agents of the electricity resulting from the coupling algorithm as being transferred between two adjacent bidding zones.

Under the price coupling mechanism of the day-ahead markets, the electricity exchanges correlate, on the basis of auctions, the day-ahead electricity transactions, depending on the interconnection capacity made available by the TSO through which its implicit allocation is achieved.

The company, as a TSO, transfers electricity, both physically and commercially, to the neighboring TSOs (MAVIR – Hungary and IBEX – Bulgaria) and manages the revenues from congestion on the respective interconnection related to the PZU (art. 139 of ANRE Order no. 82/2014), and in relation to OPCOM SA it has the quality of Implicit Participant in the Day-Ahead Market and the Intraday Market (IP).

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

Thus, within the mechanism of coupling by price of the regional markets, CNTEE Transelectrica SA:

- fulfills the role of implicit participant on the PZU and IP and has the quality of transfer agent;
- provides the interconnection capacity for the physical delivery of electricity traded on the PZU and PI, respectively the transition of energy from one bidding zone to another through interconnection lines, being limited by their available transfer capacity.

The revenues recorded from congestion are divided monthly between the transmission and system operators, and the exchange rate differences are retained or ensured, as the case may be, by the TSOs.

At the level of the Company, it was approved that the transactions related to the price coupling mechanism of the regional markets will not influence the income and expense accounts, except for the revenues from the management of congestion on the interconnection lines, the revenues/expenses with exchange rate differences and the expenses with bank commissions resulting from the settlement of the transactions carried out by the Company as a transfer agent.

Energy delivered to support balancing neighbouring TSOs in emergency situations ("damage aid")

Taking into account the European directives and regulations, the national legislation and the ENTSO-E rules, one of the obligations of the Transmission System Operator (TSO) is to coordinate actions and help each other between neighboring TSOs in order to ensure electricity for the restoration of the normal functioning of the electricity systems in case of emergency situations.

Within the framework of the interconnected functioning of the European energy system, an operational means of mutual support of the TSO is constituted by the delivery of balancing anergy to the interconnection systems (neighbours) in emergency situations defined by the lack of sufficient reserves and/or sources to cover consumption, according to the corresponding general provisions of the *Regulation (EU) 2017/1485 laying down a guideline on the operation of the electricity transmission system and Regulation (EU) 2017/2195 laying down guidelines on the balancing of the electricity system*.

The implementation of this possibility is based on the Synchronous Area Framework Agreement for Regional Group Continental Europe (SAFA), which details the provisions of the regulations, respectively paragraphs e), f) and g) and Art. B-12 of this operational agreement. Thus, the Company signed bilateral agreements for the purpose of providing emergency electricity with neighboring TSOs from Hungary, Bulgaria and Serbia during 2017 – 2019 and with neighboring TSOs from Ukraine and the Republic of Moldova, during 2022 (bilateral contracts with TSOs from Ukraine and the Republic of Moldova were signed as a matter of urgency, against the background of the conflict situation in Ukraine and the synchronization of the two systems at the Energy System of Continental Europe – 16.03.2022).

On the basis of bilateral contracts with neighbouring TSOs, electricity can be supplied to each other in the event of major damage to the production structure or to the transmission network (energy referred to in the contract as "Emergency Energy"), on commercial principles. Also, Emergency Energy from the Romanian energy system to the Ukrainian/Moldovan energy system can be granted to ensure (respect) the scheduled energy exchanges from the Ukraine – Republic of Moldova Control Block to the Continental Europe Synchronous Zone, in case of activation of the measures provided by the decision of the Continental Europe Regional Group (RG EC) within ENTSO-E aimed at reducing the physical flow of electricity or the cessation of the synchronous operation of the Ukraine – Republic of Moldova Control Bloc with the Synchronous Zone of Continental Europe.

2. Basics of preparation

Declaration of conformity

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

The Company also issues a primary set of consolidated financial statements prepared in accordance with OMFP no. 2844/2016. Until December 31, 2021, the consolidated financial statements prepared in accordance with OMFP no. 2844/2016 were equivalent to IFRS-EU. Starting with December 31, 2022, according to the Order of the Ministry of Public Finance (OMFP) no. 3900/2022, a new clause was included related to the coverage of own technological consumption, compared to the costs included in the regulated tariffs, which are capitalized quarterly and are recognized as tangible assets, and the assets resulting from the capitalization are amortized over a period of 5 years from the date of capitalization (see the primary set of financial statements in accordance with OMFP no. 2844/2016).

Starting with September 30, 2022, the Company applies the provisions of GEO no. 119/2022 for amending and supplementing GEO no. 27/2022 and approved by Law no. 357/13.12.2022, whereby the additional costs with the purchase of electricity incurred between January 1, 2022 and March 31, 2025, in order to cover the own technological consumption and respectively, the technological consumption, compared to the costs included in the regulated tariffs, are capitalized quarterly. Thus, the capitalized costs are amortized over a period of 5 years from the date of capitalization and are remunerated with 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable during the amortization period of those costs and are recognized as a distinct component.

The accounting records of the consolidated companies (Smart and Teletrans) are maintained in lei, in accordance with OMFP 1802. These accounts have been restated to reflect the differences between the accounts according to the Romanian accounting regulations (RCR) and those according to IFRS. Accordingly, the accounts have been adjusted, where necessary, to align these financial statements, in all material respects, with the IFRS adopted by the European Union.

The financial statements are available at the registered office of CNTEE Transelectrica SA located in Olteni Street no. 2-4 sector 3, Bucharest and on the Company's website.

The consolidated financial statements prepared as of and for the financial year ended December 31, 2025 were audited by the Company's financial auditor – Deloitte Audit SRL.

The financial year corresponds to the calendar year.

Business continuity

The present financial statements have been prepared on the basis of the principle of business continuity. In making this judgment, the management takes into account the current performance and access to financial resources given the strategic importance and position of natural monopoly of national interest held by the Company within the national energy system.

Basis of assessment

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

The consolidated financial statements are prepared at historical cost, with the exception of tangible assets, other than property, plant and equipment, which are measured at revalued value, while liabilities related to cash-settled share-based payment arrangements are measured at fair value.

Functional and presentation currency

The consolidated financial statements are presented in Romanian LEI ("LEI" or "RON") according to the applicable accounting regulations, which is also the functional currency of the Group.

Using Estimates and Judgments

The preparation of consolidated financial statements in accordance with IFRS EU requires management to use professional reasoning, estimates and assumptions affecting the application of accounting policies, as well as the recognised value of assets, liabilities, income and expenses, fair value assumptions (see Note 4), commitments and contingent quotas (see Note 29), recognition of receivables (see Note 4), 14 - Advance income), adjustments for impairment of receivables (see Note 10) and obligations related to defined benefit plans (Note 16).

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

Information on assumptions and estimates involving material uncertainties is included in the following notes:

- Note 13 - the estimate of the Group's management that there is a reasonable assurance that the conditions attached to the non-reimbursable funds will be met and that the funds will be received;
- Note 16 - assessment of the obligations related to the defined benefit plans;
- Note 29 - recognition and evaluation of provisions, commitments and quotas; key assumptions regarding the probability and magnitude of an outflow of resources;

Information on the accounting policy rationale for service concession agreements is set out in the following paragraphs.

The Company (concessionaire) concluded in 2004 a concession contract for a period of 49 years, with the Ministry of Economy (grantor) according to which the Company has the right to use public assets that include the electricity transmission network and the land on which it is located, in exchange for the provision of the electricity transmission service (See Note 3 (b)).

Given that most of the Company's shares are owned by the State, the Company's management considers that it is a public company and therefore does not fall under the provisions of IFRIC 12 "Service Concession Agreements". Given that there is no other specific international financial reporting standard for service concession agreements, the Company considered whether it would still apply IFRIC 12, based on the hierarchy mentioned in SIC 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which provides that the provisions of other IFRS dealing with similar issues should first be considered.

In the analysis of the application of IFRIC 12, the Group considered whether the following characteristics of public-private service concession agreements are applicable to the concession contract concluded with ME, on the date on which IFRIC 12 is to be adopted:

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

From the analysis of the characteristics of the public-private service concession agreements, the following can be found:

- the services provided by the Group are regulated by ANRE, therefore the Grantor – the Ministry of Economy – does not control or regulate the type of services that the Group must provide;
- at the end of the contractual period, the residual interest in the infrastructure is approximately zero, most of the assets belonging to the public domain of the state being fully depreciated;
- there are currently no similar contracts, the Group having a monopoly position for the transmission

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

of electricity.

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

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

3. Accounting policies

The accounting policies detailed below have been applied consistently for all periods presented in these consolidated financial statements and have been consistently applied by the Group entities.

(a) Basics of consolidation

(i) Financial investments

The group has control over an entity when it is exposed to, or is entitled to, variable gains resulting from its involvement in the entity and has the ability to affect those gains through its power over the entity. The financial statements of the companies included in the scope of consolidation are included in the consolidated financial statements from the moment the exercise of control begins until the moment it ceases.

As of the date of this report, Transelectrica is composed of six subsidiaries (of which three are registered with the Trade Register), Romanian legal entities, organized as joint stock companies. In two of the companies, Transelectrica (Teletrans and Smart) is the sole shareholder and majority shareholder in the case of OPCOM.

We specify that Transelectrica also held the status of sole shareholder in the companies ICEMENERG SA, ICEMENERG SERVICE and FORMENERG SA (companies that are deregistered with the ONRC on this date).

Among the Company's investments, Smart and Teletrans are included in the Group's financial consolidation perimeter through the global integration method.

The following were not taken into account when preparing the consolidated financial statements:

- investment in Formenerg because, according to the accounting legislation applicable in 2024, the impact of its activity was considered insignificant for the purpose of consolidation and during 2025 it merged with Teletrans,
- the investment in OPCOM because the administration is carried out according to the regulations established by ANRE, and Transelectrica does not exercise direct effective control over its decision-making mechanisms.

FORMENERG was a company whose main object of activity was the initial and continuous professional training, in all fields of activity, of the personnel with attributions in the energy field from all sectors of the national economy and other beneficiaries, as well as hotel services, rental services and event organization services.

FORMENERG SA was established as a result of the Decision number 33/19.11.2001 of the General Meeting of Shareholders – "Transelectrica" S.A., by outsourcing the activity of the Training and Improvement Branch of Personnel in the Energy Sector. FORMENERG shares were 100% owned by Transelectrica.

On September 23, 2025, the merger procedure was completed by absorption between the Company for Telecommunications Services and Information Technology in Electrical Transmission Networks – TELETRANS S.A., as absorbing company, and "Formenerg" S.A., as absorbing company. According to the applicable legislation, starting with September 23, 2025, the Teletrans took over all the rights and obligations assumed prior to the merger by the Formenerg.

ICEMENERG SERVICE – SA was focused on the design, production and distribution of measuring, management and control devices for the energy system, having ISO 9001 and IQ NET certification by SRAC ROMANIA, ANRE certified. On 09.06.2017, the Bucharest Tribunal, Civil Section VII, ordered the

bankruptcy by simplified procedure of the debtor ICEMENERG SERVICE – SA, appointing Solvendi SPRL as provisional judicial liquidator.

On 27.04.2021, the Special Administrator of ICEMENERG Service SA informs that on 23.04.2021, following the auction, the assets of the company ICEMENERG Service SA, both mobile and immovable, were capitalized en bloc, the buyer being Portland Trust Developements Five SRL.

In the file no. 18051/3/2017, according to the Bulletin of insolvency proceedings no. 9152/26.05.2022, the Bucharest Tribunal – Civil Section VII by civil sentence 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 procedures, closed the insolvency procedure against the debtor Company "Icemenerg-Service" SA by deleting it from the Bucharest Trade Register. The company was not notified of the sentence until 31.12.2024.

OPCOM SA was established on the basis of GD no. 627/2000 on the reorganization of the National Electricity Company SA, as a company whose sole shareholder was Transelectrica.

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

The subscribed and paid-up share capital of OPCOM on 31.12.2025 is 31,366 thousand lei, Transelectrica participating at that date in the share capital as the majority shareholder. The shareholding structure is as follows:

- CNTEE Transelectrica SA – 97.84%
- The Romanian State through the General Secretariat of the Government – 2.16%.

OPCOM obeys ANRE rules and has an independent position on the electricity market. Transelectrica does not exercise direct effective control over the decision-making mechanisms of OPCOM, whose administration is conducted according to the regulations established by ANRE.

We specify below, the elements provided by the International Standard IFRS 10, necessary to be taken into account in establishing the exercise of control. Thus, according to IFRS 10 - an investor controls an entity if and only if the investor owns all of the following:

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

The decision not to consolidate is based on the fact that the control criteria provided by IFRS 10 for the consolidation of an entity are not cumulatively met, namely:

- Existence of decision-making power over the respective entity: OPCOM carries out its activity within a framework strictly regulated by the relevant authorities, independent of Transelectrica's commercial policies. The operational and strategic decisions relevant to OPCOM are dictated by regulations specific to the energy sector and cannot be influenced at the discretion of the majority shareholder
- Exposure or entitlement to variable returns resulting from involvement in OPCOM: Transelectrica does not have the possibility to decide on the pricing policy or to directly influence the level of OPCOM's revenues and financial results
- Ability to use control to influence returns: Even though Transelectrica owns the majority of the shares, it does not have the actual ability to use this position to influence OPCOM's economic results, as these are mainly determined by the legislative framework and regulations imposed by the authorities.

At the same time, Transelectrica does not exercise significant influence over the activities of OPCOM, and the decision not to consolidate is supported by reasoning and assumptions that start from the purpose of establishing OPCOM, namely to ensure an organized framework for carrying out regulated electricity transactions, in the context of applying its specific legislation on independent activity, applying

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

its specific legislation on electricity subject to ANRE rules and EU regulations.

(ii) Investments in associates and joint ventures

If Transelectrica holds, directly or indirectly, 20% or more of the voting rights of the entity in which it invested, it is assumed to exercise significant influence, but not control over financial and operational policies. The consolidated financial statements include the Group's share of the results of the associates based on the equity method.

Investments in joint agreements, in which the Group exercises joint control with other entities, are initially recognised at cost and subsequently measured using the equity method. Profits or losses attributable to the Group are recognised in the consolidated financial statements when joint control begins and until such control ends.

The equity method is an accounting method whereby the investment is initially recognised at cost and subsequently adjusted for post-acquisition changes in the investor's share of the net assets of the entity in which it invested. The investor's profit or loss includes his share of the profit or loss of the entity in which he invested, and other elements of the comprehensive income include the investor's share of the other items of the comprehensive income of the entity in which he invested.

In March 2025, the Company participated with a 25% contribution to the share capital of Geco Power Company Green Energy Corridor Power Company - Limited Liability Company, according to the resolution of the Executive Board no. 7516/ 05.03.2025, in value is 3,750.

The total share capital of Geco is 15,000, divided into 1.5 million shares, distributed equally between the 4 entities participating in the capital. The shares, according to the articles of association, confer equal rights. Participation in profits and losses will be made proportionally to the shares.

The founding partners of the project company are CNTEE Transelectrica SA, JSC Georgian State Electrosystem, "AZERENERJI" Open Joint Stock Company and MVM Energy Private Limited Liability Company. The company ensures the implementation of the Green Energy Corridor project, a 1,200 km high-voltage submarine direct current cable, which will cross the Black Sea and connect Romania and Georgia, the connection being extended in Hungary and Azerbaijan, in accordance with the agreement between the Governments of the states of Azerbaijan, Georgia, Romania and Hungary.

The newly established company GECO enters the consolidation perimeter, being a jointly controlled company, of the Join Venture type. Thus, the consolidated financial statements include the Group's share of GECO's results based on the equity method. Since GECO's shares are acquired at the time of its establishment, no goodwill was recorded.

(iii) Loss of control

Upon loss of control, the Group recognises the assets and liabilities of consolidated companies, non-controlling interests and relevant components of equity. Any resulting gain or loss is recognised in the profit and loss account. **Retained interest**, if any, is measured at fair value at the date of loss of control and is subsequently accounted for either by the equity method or as a financial asset in accordance with IFRS 9.

(iv) Transactions eliminated on consolidation

Balances and transactions within the Group, as well as any unrealized income or expense resulting from transactions within the Group, are eliminated at the time of preparation of the consolidated financial statements. Unrealized profits related to transactions with associates accounted for by the equity method are eliminated in exchange for the investment in the associate, to the extent of the Group's interest in associates. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there are no indications of depreciation in value.

(b) Tangible fixed assets

Own assets

Tangible assets, with the exception of tangible assets in progress, are presented at revalued value, less cumulative depreciation and amortization losses. Tangible assets in progress are presented at cost. The cost of self-built assets includes the cost of materials, direct salaries, the initial estimate, where applicable, of the costs of dismantling and moving elements and site restoration, and a share of indirect expenses.

Recognition

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

Tangible assets are initially valued at cost.

The cost includes expenses directly attributable to the acquisition of the asset. The cost of assets built by the entity includes:

- the cost of materials and direct personnel expenses;
- other costs directly attributable to bringing the assets to the required place and condition/stage of intended use; and
- capitalised borrowing costs.

For unused or used tangible assets, depreciation adjustments are recorded.

Government subsidies obtained for investments related to the public domain are recognized through the accounting account 1026 - Public patrimony, equity account, at the same time as the promotion of the Government Decision updating the public domain.

The fixed assets resulting from investments related to the public domain obtained from government subsidies are not depreciated, given their handover to the public patrimony. They do not meet the conditions for recognition of depreciation according to the provisions of the Concession Contract no. 1/2004, does not represent investments or expenses incurred by the Company.

In this regard, the Company annually submits to the Ministry of Economy, as grantor and holder of the right to manage the assets subject to the concession contract, the proposals for the transfer of the fixed assets to the public patrimony. According to the law, the necessity and opportunity of promoting the draft Government decision belong to the holder of the right of administration

Subsequent expenditure

The Group recognises in the carrying amount of a tangible asset the cost of replacing part of a fixed asset if at the time the cost occurs it is likely that future economic benefits related to the item will be generated to the Company and the cost of the item can be credibly assessed.

All other costs are recognised in the profit and loss account when they occur.

Depreciation

Tangible fixed assets are depreciated using the linear method, over their lifetimes, as follows:

	Normal service life (years)
Special buildings and installations	40 – 60
Machinery and equipment	15 – 40
Measuring and control devices	7 – 12
Vehicles	5 – 8
Other tangible assets	3 – 5

The land is not amortized. When the items of a property, plant and equipment have different lifetimes, they are recorded as separate items (major components) of an asset. Asset depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

Revaluation

The Company has chosen the revaluation model as its accounting policy and applies this policy to every entire class of tangible assets, except for advances and tangible assets in progress that are measured at historical cost.

The revaluation of tangible assets is carried out periodically at fair value (the term periodic refers to any reporting period at which Transelectrica's management identifies indications that the value of the assets is significantly different from the market value). In this regard, Transelectrica's management uses the services of authorized appraisers for such activity.

At the revaluation of a tangible asset, the accumulated depreciation at the revaluation date is removed from the gross carrying amount of the asset, the net value being recalculated at the revaluation value of the asset.

At the same time, when a tangible asset is revalued, the entire class to which that item belongs will be revalued.

When the carrying amount of an asset is increased as a result of a revaluation, the increase will be recognised in other comprehensive income and accumulated in equity under the revaluation surplus. However, the increase will be recognised in the profit or loss account to the extent that it offsets a decrease in revaluation of the same asset previously recognised in the profit or loss account.

If the carrying amount of an asset decreases as a result of a revaluation, the decrease will be recognised in the profit or loss account. However, the decrease will be recognised in other comprehensive income to the extent of any existing credit balance in the revaluation surplus of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity from the revaluation surplus.

Transelectrica's policy is that the revaluation reserve included in the equity related to an item of tangible fixed assets is transferred directly to the retained profit as the revalued tangible asset is depreciated and when the asset is derecognized. In this case, the amount of the surplus transferred would be the difference between the depreciation calculated on the basis of the revalued carrying amount of the asset and the depreciation amount calculated on the basis of the initial cost of the asset. Transfers from the revaluation surplus to retained earnings are not made by profit or loss. The effects in the calculation of corporate income tax, if any, resulting from the revaluation of tangible assets are recognised and presented in accordance with IAS 12 – Corporate Income Tax.

(c) Public heritage

In accordance with the provisions of Law no. 123/2012, as subsequently amended and supplemented, the electricity transmission network existing on the territory of Romania is the public property of the state for the assets leased to the National Electricity Transmission Company "Transelectrica" - S.A., as well as for the return goods according to the concession contract and the legal provisions.

Government Decision no. 627/2000 establishes in Annex no. 8 the inventory of the immovable property that makes up the public domain of the state, taken over by the Company starting with August 1, 2000 and which is inventoried and updated whenever necessary, by legislative act (GD).

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

Following the signing of the concession contract with the Ministry of Economy and Trade on behalf of the Romanian State, on June 29, 2004, the nature of the relationship between it and the Company changed and therefore, the Company proceeded to de-recognize the assets of the public patrimony, including the reserve of the public patrimony within the equity. Concession contract payments (royalty) are recognised as expenses in the profit and loss account by the Company during the year. Their accounting is carried out in accordance with IFRS 16, leases, which states that, in the event that lease payments are variable and represent a percentage of the proceeds from sales, the lease liability and rights to use the assets for leases are zero.

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

Taking into account the provisions of the Government Decision no. 1009/2012 and Government Decision no. 984/2012 approving the amendment of Annex no. 7 to the Government Decision no. 1705/2006 for the approval of the centralized inventory of the assets in the public domain of the state concessioned to the Company, as a result of the inventory of the assets belonging to the public domain of the state in 2012 and the revaluation / evaluation of these assets, on 14.02.2013 the addendum no. 7 to the Concession Contract no. 1/29.06.2004.

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

By Government Decision no. 615 of 05 September 2019, published in the Official Gazette no. 730 bis 2019, the amendment and completion of Annex no. 7 to the Government Decision no. 1705/2006 for the approval of the centralized inventory of the assets in the public domain of the state, as a result of the

inventory of the assets belonging to the public domain of the state in 2017 for the period 2013-2017, but so far the act no. 8 to the Concession Contract no. 1/2004.

The main terms of the concession contract are as follows:

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

Starting with November 12, 2020, the Electricity Law no. 123/2012 was amended and supplemented, which in art. 19, para. (1[^]1) provides: *"The annual fee related to the concession in the field of electricity transmission is 0.4% of the value of the gross revenues earned from electricity transmission and transit operations and is paid by the transmission system operator as concessionaire"*.

The tax paid by the Company according to the concession contract and the Electricity Law no. 123/2012, as subsequently amended and supplemented, for the period 1 January – 31 December 2027 is significantly lower than the depreciation that the Group would have recorded for those assets if this contract had not existed. However, the Group did not record in the financial statements any amount relating to this possible benefit because it cannot estimate the amount paid for the use of these assets by a third party in an objectively priced transaction.

The investments made by the Company from its own sources of financing in the assets covered by the concession contract are capitalized and amortized over the remaining life of the assets. After the recovery of the amortization of the investment, they will be included in the inventory of assets in the public domain of the state, according to the legal provisions in force, based on a normative act adopted in this regard.

(d) Intangible assets

The intangible assets acquired by the Group are presented at cost less the cumulative depreciation and amortization losses of the intangible assets. Depreciation is recognised in the profit and loss statement on a straight-line basis over the estimated life of intangible assets. The majority of intangible assets recorded by the Group are represented by intangible assets in progress and dedicated software. They are amortized linearly over a period of 3 years.

Asset depreciation methods and useful lives are reviewed at each reporting date and adjusted where appropriate.

Subsequent expenditure

Subsequent expenses are capitalized only if it is likely to generate future economic benefits to the Group related to subsequent expenses.

(e) Foreign currency transactions

Transactions in foreign currency are expressed in LEI by applying the exchange rate from the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the end of the year are denominated in LEI at the exchange rate on that date. Gains and losses on exchange rate differences, realized or unrealized, are recorded in the profit and loss account for the respective financial year. The exchange rates on 31 December 2025 and 31 December 2024 are as follows:

Currency	December 31, 2025	December 31, 2024
1 EUR	5.0985	4.9741
1 USD	4.3417	4.7768

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

(f) Receivables

Trade receivables are initially recognised at the invoiced value and subsequently measured at amortised cost based on the effective interest method, less impairment adjustments.

Trade receivables impairment adjustments include adjustments for disputed receivables and adjustments made by applying the simplified analysis model provided for in IFRS 9 Financial Instruments. The Company applies the simplified approach of IFRS 9 for measuring expected credit losses, which aims at a reduction of lifetime expected credit losses (ECL) for all trade receivables. To measure expected credit losses, trade receivables are grouped based on common credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of sales for a period of 36 months prior to December 31, 2025, and January 1, 2025, respectively, and on the corresponding historical credit losses recorded during this period. The historical loss rates are adjusted to reflect current and future information on macroeconomic factors affecting the ability of customers to settle receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, a debtor not committing to a repayment plan and not making contractual payments for a period of more than 180 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited to the same line item.

Adjustments for impairment of receivables – For trade receivables, a simplified approach is adopted in which impairment losses are recognized based on lifetime expected credit losses at each reporting date. If there is credit insurance or guarantees for outstanding balances, the calculation of expected credit losses is based on the insurer's probability of default for the insured portion of the outstanding balance and the amount remaining uncovered will have the counterparty's probability of default. For trade receivables, the simplified model regulated by IFRS 9, presented in Note 10, is used.

(g) Stocks

The stocks consist of:

- raw materials, materials, spare parts that do not meet the definition of tangible assets and other consumable materials to be used in the performance of the Group's core business;
- safety and intervention stocks intended to quickly remedy the malfunctions that occurred at the RET installations in order to ensure the safe operation of the SEN. These materials are recorded as stocks at the time of purchase and are recorded on expenses at the time of consumption or are capitalized, as the case may be.

Inventories are valued at the lesser of cost and net realizable value. The cost of consumed inventory is determined based on the FIFO method and includes purchase expenses. Net realisable value is the estimated sale price in the normal course of business minus the estimated costs of completion, if any, and the expenses incurred by the sale.

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

(h) Cash and cash equivalents

Cash and cash equivalents include cash, current accounts and bank deposits with an initial maturity of up to 3 months that are subject to a negligible risk of fair value change.

(i) Revaluation reserves

After recognition as an asset, a tangible asset whose fair value can be reliably measured is accounted for at a revalued value, which is its fair value at the date of the revaluation less any depreciation accrued thereafter and any accumulated impairment losses. Revaluations shall be made on a sufficiently regular basis to ensure that the carrying amount does not differ materially from what would have been determined by using fair value at the balance sheet date.

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

If the carrying amount of a property, plant and equipment is reduced as a result of a revaluation, this decrease is recognised in the profit or loss account. However, the reduction is made by reducing the

revaluation reserves, to the extent that there is a credit balance in the revaluation surplus for that tangible asset.

The revaluation reserve included in equity related to a tangible fixed asset is transferred directly to the retained profit as the revalued tangible asset is depreciated and when the asset is derecognized.

Starting with 1 May 2009, the reserves from the revaluation of tangible assets, including land, carried out after 1 January 2004, which are deducted from the calculation of the taxable profit by means of tax depreciation or expenses relating to assets disposed of and/or scrapped, are taxed at the same time as the deduction of tax depreciation, respectively at the time of the decommissioning of these fixed assets, as the case may be.

The Group recorded deferred tax on reserve debt from the revaluation of fixed assets, including land, made after 1 January 2004.

The reserves from the revaluation of tangible assets, including land, carried out until December 31, 2003, as well as the portion of the revaluation made after January 1, 2004 and related to the period up to April 30, 2009, will not be taxed at the time of transfer to the retained earnings.

The Group did not record deferred tax on the reserve debt from the revaluation of fixed assets, including land, made until 31 December 2003.

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

(j) Impairment of non-financial assets

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

The recoverable value of a cash-generating asset or unit is the maximum of the use value and fair value minus costs of selling. When determining value of use, expected future cash flows are discounted to determine present value, using a pre-tax discount rate that reflects current market valuations of the value over time and asset-specific risks.

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

Impairment losses are recognised in the profit or loss account. Impairment losses recognised in relation to cash-generating units are allocated with priority to reduce the carrying amount of goodwill allocated to cash-generating units (group of cash-generating units), if applicable, and then pro rata to reduce the carrying amount of other assets within the cash-generating unit (group of cash-generating units).

A loss on impairment of goodwill is not resumed. For the other assets, the impairment loss is carried over only to the extent that the carrying amount of the asset does not exceed the carrying amount that could have been determined, net of depreciation, if no impairment had been recognized.

(k) Share capital

Ordinary shares are classified as part of equity. Additional costs directly attributable to the issuance of ordinary shares and stock options are recognised as a reduction in equity to net of tax effects.

(l) Dividend

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

(m) Trade and other liabilities

Debts to suppliers and other debts are recorded at amortized cost and include the value of invoices issued by suppliers of products, works performed and services rendered.

(n) Interest-bearing loans

Loans are initially recognised at fair value, net of transaction costs. After the initial recognition, the loans

are recorded at the amortized cost, any difference between the cost and the repayment amount being recognized in the profit and loss account during the period of the loan based on an effective interest rate.

(o) Financial instruments

IFRS Standard 9 "Financial Instruments" is based on the theory that financial assets must be classified and measured at fair value, with changes in fair value recognised in the statement of profit and loss at the time they occur ("FVPL"), unless restrictive criteria are met for the classification and measurement of the asset at amortised cost or fair value through other components of comprehensive income ("FVOCI").

i) Recognition

The Group recognises a financial asset on the balance sheet when and only when it becomes part of the contractual provisions of the instrument. Financial assets and liabilities are measured at the time of initial recognition at fair value.

ii) Classification of financial assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value by other comprehensive income or fair value by profit or loss on the basis of the following criteria:

- Transelectrica's business model for the management of financial assets and
- characteristics of the contractual cash flow of the financial asset.

From the point of view of the measurement of a **financial asset** after initial recognition, IFRS 9 "Financial Instruments: Recognition and Measurement", classifies financial assets into the following categories:

- **Amortised cost**

A financial asset is valued at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and
- The contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of principal and interest on the amount of principal due.

As of December 31, the Group holds financial assets valued at amortised cost.

- **Fair value through other comprehensive income**

A financial asset is measured at fair value by other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to achieve the collection of contractual cash flows and the sale of financial assets, and
- The contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of principal and interest on the amount of principal due.

- **Fair value through profit and loss account**

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or fair value through other comprehensive income.

iii) Rating

When a financial asset is initially recognised, the Group must measure it at its fair value plus, in the case of a financial asset that is not at fair value through the profit or loss account, the costs of the transaction that can be directly attributed to the acquisition or issuance of the financial asset.

iv) Identification and valuation of impairment for financial assets

The Group applies the simplified method for measuring expected credit losses, provided by IFRS 9, for the measurement of trade receivables. IFRS 9 allows entities to apply a "simplified approach" to trade receivables, contractual assets and leasing receivables. The simplified approach allows entities to recognise the expected losses over the life of all these assets without having to identify significant increases in credit risk.

v) Derecognition

A financial asset is derecognised when:

- the contractual rights to the cash flows arising from the financial assets have expired;

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

- the group retains contractual rights to receive cash flows from the financial asset, but assumes a contractual obligation to pay them to a third party without significant delay, under an intermediation arrangement; or
- The group has transferred its rights to receive cash flows, and either a) has substantially transferred all the risks and rewards associated with the financial asset, or b) has not substantially transferred all the risks and rewards associated with the financial asset, but has transferred control over the financial asset.

The Group shall recognise a financial liability (or part of a financial liability) in the statement of financial position when the obligation specified in the contract is extinguished, cancelled or expires.

vi) Compensation

The Group offsets a financial asset and a financial liability, and the net amount is presented in the statement of financial position when:

- it currently has the legal right to offset the recognised values; and
- intends either to settle them on a net basis or to capitalise on the asset and settle the debt simultaneously.

The clearing of a recognised financial asset and a recognised financial liability, as well as the presentation of net worth, differs from the derecognition of a financial asset or financial liability.

(p) Corporate income tax

The corporate income tax expense includes the current tax, the deferred tax and the global minimum tax – Pillar Two. Current tax, deferred tax and global minimum tax are recognised in the profit or loss account unless they relate to business combinations or items recognised directly in equity or other comprehensive income.

(i) Current tax

Current tax is the tax that is expected to be paid or received on the tax profit or loss realized in the current year, using tax rates adopted or largely adopted at the reporting date, as well as any adjustment to corporate income tax obligations related to previous years.

(ii) Deferred tax

The deferred tax is recognized for the temporary differences that occur between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for the calculation of the tax.

A deferred tax liability must be recognised for all taxable temporary differences, unless the deferred debt arises from:

- initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction that:
 - it is not a combination of undertakings;
 - at the time of the transaction, it does not affect either the accounting profit or the taxable profit (tax loss);
 - at the time of the transaction, does not give rise to equal temporary taxable and deductible differences.

An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, as well as interests in common arrangements, unless both of the following conditions are met:

- the parent company, investor, joint venture or joint venture is able to control the timing of the reversal of the temporary difference; and
- It is likely that the temporary difference will not reverse in the foreseeable future.

A deferred tax claim must be recognised for all deductible temporary differences to the extent that there is likely to be a taxable profit available for which the deductible temporary difference can be used, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- it is not a combination of undertakings;
- at the time of the transaction, it does not affect either the accounting profit or the taxable profit (tax

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

loss); and

- at the time of the transaction, does not give rise to equal temporary taxable and deductible differences.

An entity shall recognise a deferred tax claim for all deductible temporary differences arising from investments in subsidiaries, branches and associates, as well as from interests in joint arrangements, to the extent and only to the extent that it is likely that:

- the temporary difference to reverse in the foreseeable future; and
- The taxable profit will be available for which the temporary difference can be used.

The assessment of deferred tax reflects the tax consequence that would arise from the way in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The deferred tax is calculated on the basis of the tax rates that are expected to be applicable to the temporary differences at their resumption, based on the legislation adopted or largely adopted at the reporting date.

Deferred tax liabilities are represented by corporate income tax amounts payable in future accounting periods in respect of taxable temporary differences.

The deferred tax receivables are represented by the corporate income tax amounts, recoverable in future periods, in respect of:

- deductible temporary differences;
- carry-forward of unused tax losses; and
- carry-over of unused tax credits.

They are reviewed on each reporting date and are diminished to the extent that it is no longer likely that the related tax benefit will be achieved.

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

The Group determines deferred tax assets and liabilities using the statement of financial position liability method in accordance with IAS 12 for all temporary differences between the accounting and tax bases of assets and liabilities recognised in Transelectrica's IFRS financial statements and tax statements. In addition, the tax advantage from existing carry-forward losses that are likely to be realised is also included in the calculation.

(iii) Global minimum tax – Pillar Two

The global minimum tax is an additional tax calculated at Group level within a jurisdiction for which an effective tax rate below 15% is obtained (the "minimum tax rate") applied to the qualified net profit. It is calculated in accordance with the provisions of Law 431/2023, *on ensuring a global minimum level of taxation of multinational enterprise groups and large national groups*, for which additional guidance provided by the Organization for Economic Co-operation and Development (OECD) was taken into account, as a source of illustration or interpretation, in order to ensure the consistent application of the legislation in force.

(iv) Exposure to corporate income tax

The Group considers the impact of the tax position to be uncertain and whether additional taxes and interest may be due when determining the amount of current and deferred tax. This assessment is based on estimates and assumptions and may involve a series of professional reasoning regarding future events. New information may become available which may cause the Group to change its business reasoning with regard to the adequacy of existing tax liabilities; such changes in tax liabilities may have an impact on corporate income tax expenditure during the period in which such determination occurs.

(q) Employee benefits

Other long-term employee benefits

The Group's net obligation in terms of long-term benefits granted to employees, other than pension plans, is the value of future benefits that employees have earned in exchange for services rendered in the

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

current and previous periods. This benefit is discounted to determine its fair value, and the fair value of any related assets is deducted. These benefits are estimated using the projected credit factor method. Any actuarial gains or losses are recognised in other comprehensive income during the period in which they occur, with the exception of jubilee bonuses which are recognised in the profit and loss account.

Short-term employee benefits

Short-term benefit obligations are valued on an outdated basis and are recognised as expenses as services are provided. A provision is recognised at the estimated amount to be paid for short-term benefits in the form of bonuses or employee profit sharing, only if the Group has a present, legal or implied obligation to pay this amount for past services rendered by employees, and this obligation can be estimated. The benefits of short-term employees are mainly represented by salaries.

In the normal course of business, the Group makes payments on behalf of its employees to the pension fund. All the Group's employees are members of the pension plan of the Romanian State. These payments are passed on at expense as the services are provided by the employees.

(r) Revenue

Income is recognised when the Group fulfils a performance obligation by transferring a good or service provided to a customer. An asset is transferred when (or as) the customer gains control of that asset.

Transelectrica accounts for a contract with a customer only if the following conditions are met:

- the parties have approved the contract and agree to honour their obligations,
- Transelectrica can identify the rights of each party with respect to the goods and services transferred,
- Transelectrica can identify the payment terms for the transferred goods and services,
- the contract has commercial substance (i.e. it changes the risk, the time of occurrence and the sum of the entity's future cash flows
- the entity is likely to collect the consideration to which it is entitled in exchange for the goods and services transferred to the customer. This involves assessing the client's ability and intention to pay the consideration when it is due.

Revenues consist mainly of revenues from the transmission service, the system service and the balancing market calculated according to the volume of energy delivered to consumers. The tariffs for transport and system services are regulated by ANRE. Revenues also include the value of transactions carried out on the balancing market, as described in Note 1.

The Romanian state, through ANRE, regulates the tariffs charged by the Group for the electricity transmission service and for the system operator service. The Romanian state fulfils several roles besides that of majority shareholder and, as a result, could have more comprehensive objectives and goals than an investor whose main interest is the return on investment.

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

Also, the Company and OPCOM SA are involved in the price coupling mechanism of the regional markets based on ANRE Order no. 82/2014 (see Note 1).

Thus, within the mechanism of coupling by price of the regional markets, CNTEE Transelectrica SA:

- fulfills the role of implicit participant on the PZU and IP and has the quality of transfer agent;
- provides the interconnection capacity for the physical delivery of electricity traded on the PZU and PI, respectively the transition of energy from one bidding zone to another through interconnection lines, being limited by their available transfer capacity.

Connection tariffs

IFRS 15 "Revenue from customer contracts" applies to customer contracts in which the Company collects cash (connection tariff) from a customer for the execution of new works (connection to a place of production or consumption) or to modify existing connection installations.

The Law on Electricity and Natural Gas no. 123/2012, as subsequently amended and supplemented, provides in art. 25 para. (1) the following: *"...The connection to the electricity networks of public interest and access to the electricity networks of public interest are mandatory services, under regulated conditions,*

which must be performed by the transmission and system operator, as well as by the distribution operator, including the energy communities of the citizens who manage the distribution networks."

Given that the connection of a customer to the electricity transmission network is not a separate component of the connection contract, the connection tariffs are recognised in the profit or loss account systematically over the useful life of the asset.

The Company recognizes the cash available received from the connection tariff in the credit of the "Advance income" account within the statement of the financial position and subsequently recognizes the income in the category "Other income" within the profit and loss account, systematically over the useful life of the asset.

(s) Net costs of financing

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

Interest income is recognised in the profit and loss account for the year in which it occurs, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date on which the Group's right to receive dividends is recognised.

(t) Subsidies

Asset subsidies are initially recognised as 'forward income' at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the subsidies, and then the subsidies are recognised in the statement of income and loss as other operating income over the useful life of the asset to which they relate. Non-reimbursable funds are recognized as assets when there is reasonable assurance that they will be received by meeting the related conditions.

(u) Supplies

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

- The group has a current obligation (legal or implied) as a result of a past event;
- it is likely (i.e. more likely than unlikely) that an outflow of resources representing economic benefits will be necessary for the settlement of the obligation;
- when a correct estimate can be made regarding the amount of the obligation.

Where the effect of the value of money over time is significant, the value of a provision is the present value of the expenses that are expected to be necessary for the settlement of the obligation.

(v) Earnings per share

In accordance with SIC 33 "Earnings per share", earnings per share are calculated by dividing the profit or loss attributed to the Group's shareholders by the weighted average of ordinary shares for the period.

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

Dilution is a reduction in earnings per share or an increase in losses per share resulting on the assumption that convertible instruments are converted, or as ordinary shares are issued after certain specified conditions are met. The purpose of diluted earnings per share is similar to that of basic earnings per share, i.e., to assess the interest of each ordinary share in an entity's performance.

(w) Quota

Contingent liabilities are not recognised in the attached financial statements. They are presented where the outflow of resources incorporating economic benefits is possible and not likely.

A contingent asset is not recognised in the annexed financial statements, but is presented when an inflow of economic benefits is likely.

(x) Operational segments

An operational segment is a component of an entity:

- which engages in activities from which it may earn income and incur expenses (in income and expenses of transactions with other components of the same entity);

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

- whose operating results are reviewed periodically by the entity's chief operating decision maker in order to make decisions about the allocation of resources to the segment and the assessment of its performance; and
- for which separate financial information is available.

The group operates in several locations in Romania, which are engaged in both transport and dispatch activities. The Group's management considers the operations in their entirety as a "single segment".

The operating segments are presented in a manner consistent with the internal reporting provided by the entity's main operational decision-maker in order to make decisions on the allocation of resources by segments and to evaluate its performance.

(y) Warranties

Guarantees are recognised as financial assets following maturity/repayment at a date after one year.

(z) Leasing

The group, as lessee, recognises a right-of-use asset and a corresponding lease liability for leasing contracts, with the permitted exemptions. A leasing contract is the acquisition of a right to use an underlying asset, with the purchase price paid in installments. The lessee acknowledges the right-of-use asset and the initial lease debt on the commencement date.

Exceptions to the application of IFRS 16 may be:

- leasing contracts with a lease term of 12 months or less and which do not contain purchase options, and
- leasing contracts where the underlying asset has a low value.

At the commencement date, the lease liability shall be measured at an amount equal to the present value of the lease payments over the term of the lease that are not paid on that date.

The discount rate that the lessee uses is the default interest rate in the lease agreement, if this rate can be easily determined. The lessee uses the marginal loan rate if the default interest rate in the lease cannot be easily determined.

The right to use the asset is subsequently measured at cost, less accumulated depreciation and any accumulated impairment losses.

The Group applies the exemption from the recognition of short-term leases to its short-term and low-value leasing contracts. The related lease payments are recognised as expenses on a straight-line basis over the term of the lease. Thus, contracts that do not meet the conditions for recognition in accordance with IFRS 16 are recorded directly in the profit and loss account as royalty expenses, management locations and rents.

(aa) Financial assets

The Company's investments in joint ventures and associated entities are presented in the balance sheet at their initial cost, less accumulated impairment losses. The remaining financial investments in entities not included in the consolidation scope, other than those mentioned above, are presented at fair value.

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

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

This year, the Group has applied amendments to IAS 21 "Lack of convertibility" issued by the International Accounting Standards Board (IASB) that are mandatory for reporting periods on or after January 1, 2025. The adoption of these amendments did not have a significant impact on the information to be provided or on the amounts reported in these financial statements

- The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) that have not yet entered into force for the annual financial reporting period ended December 31, 2025 and have not had an impact or been applied in the preparation of these financial statements:

At the date of approval of these financial statements, the Group has not applied the following amended

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

IFRS accounting standards that have been issued by the IASB and adopted by the EU, but have not yet entered into force.

Accounting Standard	Title	Effective date set by the IASB
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and valuation of financial instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts that refer to electricity dependent on natural conditions	January 1, 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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

Currently, IFRS as adopted by the EU does not differ significantly from the IFRS accounting standards adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which were not adopted by the EU at the date of authorisation of these financial statements:

Accounting Standard	Title	Status of EU adoption
IFRS 18	Disclosures and Disclosures in Financial Statements (IASB Effective Date: January 1, 2027)	Not yet adopted by the EU
IFRS 19 as amended	Non-public liability subsidiaries: information to be provided (effective date set by the IASB: January 1, 2027)	Not yet adopted by the EU
Amendments to IAS 21	Transition to a hyperinflationary presentation currency (effective date set by the IASB: January 1, 2027)	Not yet adopted by the EU
IFRS 14	Deferral accounts for regulated activities (effective date set by the IASB: 1 January 2016)	The European Commission has decided not to start the approval process of this interim standard and to wait for the final standard.
Amendments to IFRS 10 and IAS 28	Sale of or contribution of assets between an investor and its associates or joint ventures and subsequent amendments (effective date has been deferred indefinitely by the IASB, but early application permitted)	The approval process was postponed indefinitely until the completion of the research project on the equivalence method.

4. Determination of fair value

Certain Group accounting policies and reporting requirements require the determination of fair value for both financial and non-financial assets and liabilities. In determining the fair values of assets and liabilities, the Group uses observable market values as far as possible. Fair values are classified into several levels in the hierarchy of fair values based on the input data used in the valuation techniques, as follows:

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

Fair values have been determined for the purpose of evaluating and/or presenting information using the methods described below:

(i) Tangible fixed assets

The fair value of tangible assets is mainly based on the revaluation model taking into account the specificities of the property, plant and equipment held by the Group, with the exception of assets in progress, which are accounted for in accordance with the cost-based model.

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

5. Tangible fixed assets

Between January 1, 2024 and December 31, 2025, tangible assets evolved as follows:

	Land and land planning	Buildings and special installations	Plant and equipment	Metering and control devices	Vehicles	Other tangible fixed assets	Tangible assets in progress	Total
COST								
Balance as of January 1, 2024	171,005	1,945,054	2,267,849	144,137	25,065	280,939	1,001,422	5,835,471
Inputs	-	3,092	3,732	8,878	5,938	222	638,578	660,440
Transfers from tangible assets in progress	524	428,577	125,269	101,543	2,177	554	(658,644)	-
Reclassifications between fixed assets accounts	-	-	-	-	-	-	2,802	2,802
Outputs	(32)	(462)	(5,383)	(28)	(145)	(7,569)	(154)	(13,774)
Balance as of December 31, 2024	171,497	2,376,261	2,391,467	254,531	33,034	274,146	984,003	6,484,939
Balance on January 1, 2025	171,497	2,376,261	2,391,467	254,531	33,034	274,146	984,003	6,484,939
Inputs	10,329	8,273	4,242	55,555	34,828	88	701,076	814,391
Transfers from tangible assets in progress	7	193,105	251,667	72,923	343	1,233	(519,278)	-
Reclassifications between fixed assets accounts	-	200	(200)	-	(3,501)	-	-	(3,501)
Outputs	-	(9,239)	(3,233)	(7,575)	(354)	(2,320)	(11,648)	(34,370)
Balance as of December 31, 2025	181,833	2,568,600	2,643,942	375,433	64,351	273,147	1,154,154	7,261,460
Balance as of January 1, 2024	138	-	-	-	-	265,591	-	265,729
Depreciation expense	-	95,140	154,769	41,374	4,281	4,861	-	300,425
Cumulative depreciation of outputs	-	(387)	(31)	(18)	(73)	(7,569)	-	(8,078)
Balance as of December 31, 2024	138	94,753	154,738	41,356	4,208	262,884	-	558,077
Balance on January 1, 2025	138	94,753	154,738	41,356	4,208	262,884	-	558,077
Depreciation expense	-	87,782	156,393	45,558	5,543	3,500	-	298,776
Cumulative depreciation of outputs	-	(3,425)	(1,131)	(7,476)	(60)	(2,320)	-	(14,414)
Balance as of December 31, 2025	138	179,109	309,999	79,438	9,691	264,064	-	842,439

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

CNTEE TRANSELECTRICA SA - IFRS EU
Explanatory Notes to the Consolidated Financial Statements as at December 31, 2025
(All amounts are expressed in thousand LEI, unless otherwise indicated)

	Land and land planning	Buildings and special installations	Plant and equipment	Metering and control devices	Vehicles	Other tangible fixed assets	Tangible assets in progress	Total
Balance on January 1, 2024	-	-	-	-	-	-	11,599	11,598
Expense with impairment adjustments	-	-	-	-	-	-	9	9
Balance as of December 31, 2024	-	-	-	-	-	-	11,608	11,608
Balance as of January 1, 2025	-	-	-	-	-	-	11,608	11,608
Reversal of depreciation adjustments	-	-	-	-	-	-	(7,227)	(7,227)
Balance as of December 31, 2025	-	-	-	-	-	-	4,381	4,382
Net book value								
Balance as of December 31, 2024	171,359	2,281,508	2,236,729	213,174	28,826	11,262	972,395	5,915,254
Balance as of December 31, 2025	181,695	2,389,491	2,333,943	295,996	54,660	9,083	1,149,772	6,414,639

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

The total net value of tangible assets increased as of December 31, 2025 compared to December 31, 2024 amid the increase in the amounts of tangible assets in progress represented, mainly, by the implementation of investment works in high-voltage power stations and lines, modernizations of electricity transformer stations, line relocations, connections to the electricity grid as follows:

- Installation of two modern means of reactive power compensation in the 400/220/110/20kV Sibiu Sud and 400/220/110/20 kV Bradu – 134,247 substations;
- Refurbishment of the 400/110 kV Pelicanu transformer substation – 57,608;
- Increasing the degree of safety in the supply of consumers in the southern area of Bucharest, connected to the 400/220/110 kV Bucharest South Substation – 55,208;
- 400 kV D.C. OLA Gutinaș – Smârdan – 44,448;
- Refurbishment of the 400 kV Isaccea Substation - Stage II - 34,302;
- Transformer replacement no. 4 - 250 MVA, 400/110 kV in the 400/110 kV Drăgănești-Olt Substation - 22,900;
- Optimization of the operation of the existing 400 kV OHL in the SEN, used in interconnection and for power evacuation from the Cernavoda Nuclear Power Plant and the renewable energy plants in Dobrogea, through the installation of on-line systems (SMART GRID type) – 18,078;

In 2025, the largest **transfers from tangible assets in progress to tangible assets**, in the amount of **519,278**, are mainly represented by the commissioning of investment objectives, modernizations of electricity transformer stations, line relocations, connections to the electricity grid, thus the most significant of which we list the most significant:

- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400 kV s.c. OHL axis. Iron Gates - (Anina) - Resita - 176,795;
- Increasing the operational safety of the Argeș-Vâlcea network area, the construction of the 400 kV Arefu Substation and the installation of a 400 MVA, 400/220 kV AT – 82,814;
- Increasing the degree of safety in the supply of consumers in the southern area of Bucharest, connected to the 400/220/110 kV Bucharest South Substation – 70,395;
- OHL 220 kV double circuit Ostrovu Mare - RET Stage I + Stage II (H.CA no. 17/2007) – 50,083;
- 400 kV d.c. Gutinaș - Smârdan OHL (Phase I and II of financing) - 26,642;
- Optimization of the operation of the existing 400 kV OHL in the SEN, used in interconnection and for power evacuation from the Cernavoda nuclear power plant and the renewable energy plants in Dobrogea, by installing on-line systems (SMART GRID type) – 20,576;
- Relocation/protection of the 400 kV-400 kV high-voltage network s.c Urechești-Domnești and 400 kV s.c Brazi Vest-Domnești OHL at the intersection with the Bucharest Ring Highway - km 0+000, km 100+900, Lot 3, Sector 1, km 85+300, km 100+765-South Belt, Sector 2, km:0+00 – 15,326.

In 2025, there were exits from tangible assets in execution through the recognition of the Company's operating costs in the amount of 9,949, as follows:

- Connection to the RET of CEE 136 MW Platonești, Bucharest county. Ialomita, by building a 110 kV cell in the 400/110 kV Gura Ialomitei substation, in the amount of 2,889 lei;
- Integrated security system at power stations, stage III (H.CA no. 2/2008), in the amount of 2,782 lei;
- Integrated security system at power stations, stage IV, in the amount of 4,278 lei.

The balance of **tangible assets under execution** as of December 31, 2025, in the amount of **1,064,066**, is represented by ongoing projects, the most significant being listed below:

- 400 kV D.C. OLA Gutinaș – Smârdan – 318,644;
- Installation of two modern means of reactive power compensation in the 400/220/110/20kV Sibiu Sud and Bradu – 166,604 substations;
- Refurbishment of the 400/110 kV Pelicanu transformer substation – 97,429;
- Refurbishment of the 400 kV Isaccea substation - Stage II - 68,865;
- Refurbishment of the 400/110/20 kV Smârdan Substation – 49,537;

- Connection to the RET of CEE 300 MW Ivești, CEE 88 MW Fălciu 1 and CEE 18 MW Fălciu 2 through the new Substation (400)/220/110 kV Banca – 46,885;
- 400 kV Stâlpu substation – 44,306;
- Refurbishment of the 110 kV Medgidia Sud Substation – 28,408;
- Transformer replacement no. 4 - 250 MVA, 400/110 kV in the 400/110 kV Drăgănești-Olt Substation - 22,922;
- Modernization of the 220/110 kV Calafat Substation – 16,844;
- Switching to the 400 kV voltage of the Iron Gates - Resita - Timișoara - Săcălaz - Arad axis, stage II, 400 kV d.c. Resita - Timișoara - Săcălaz - 16,246;
- Switching to 400 kV of the 220 kV OHL Brazi West - Teleajen - Stâlpu, including acquisition of HV 400 MVA 400/220/20 kV, extension works of the related 400 kV and 220 kV substations, in the 400/220/110 kV Brazi West Station – 15,701;
- Refurbishment of the 110 kV Timișoara Substation and the transition to 400 kV voltage of the Poștile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, stage II: 400 kV Timișoara Substation – 15,329;
- Power Quality Monitoring System (PQMS) – 13,093.

The assets belonging to the public domain of the state and leased to the Company representing completed tangible assets, made from its own sources of financing, will be included in the inventory of assets in the public domain of the state after the recovery of its own sources of financing, at the time of approval, by Government Decision, of the inventory of assets belonging to the public domain of the state.

As of December 31, 2025 and December 31, 2024, the Company has no pledged or mortgaged assets.

Fair value of tangible assets

The Company's tangible assets, other than outstanding tangible assets, are presented in the financial statements at revalued value, representing fair value at the valuation date, less accumulated depreciation and amortization adjustments.

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

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

This method is recommended for properties, when there is sufficient and reliable data on transactions or offers for sale with similar properties in the area. The analysis of the prices at which the transactions were carried out or the prices asked or offered for comparable properties is followed by corrections of their prices, in order to quantify the differences between the prices paid, asked or offered, caused by the differences between the specific characteristics of each individual property, called elements of comparison.

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

This method assumes that the maximum value of an asset to an informed buyer is the amount that is needed to buy or build a new asset with equivalent utility. When the asset is not new, all forms of impairment attributable to it must be deducted from the gross current cost until the valuation date.

Information on the fair value hierarchy as of December 31, 2025 and December 31, 2024:

	Level 1	Level 2	Level 3	Fair value as of December 31, 2025
Land and landscaping	-	-	181,695	181,695
Special buildings and installations	-	-	2,389,491	2,389,491
Machinery and equipment	-	-	2,333,943	2,333,943
Measuring and control devices	-	-	295,996	295,996
Vehicles	-	-	54,660	54,660
Other tangible assets	-	-	9,083	9,083
Total	-	-	5,264,867	5,264,867

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

	Level 1	Level 2	Level 3	Fair value as of December 31, 2024
Land and landscaping	-	-	171,359	171,359
Special buildings and installations	-	-	2,281,508	2,281,508
Machinery and equipment	-	-	2,236,729	2,236,729
Measuring and control devices	-	-	213,174	213,174
Vehicles	-	-	28,826	28,826
Other tangible assets	-	-	11,262	11,262
Total	-	-	4,942,859	4,942,859

The cost value of tangible fixed assets is represented by their fair value from which the value of the revaluation reserve as at December 31, 2025 and December 31, 2024 was deducted, as follows:

	Cost value 31 December 2025	Cost value December 31, 2024
Land and landscaping	119,536	109,692
Special buildings and installations	1,948,997	2,129,716
Machinery and equipment	1,718,234	1,459,397
Measuring and control devices	278,742	252,472
Vehicles	50,297	21,631
Other tangible assets	9,083	7,056
TOTAL	4,124,889	3,979,964

6. Fixed assets related to rights of use of leased assets

As of December 31, 2025 and December 31, 2024, the fixed assets related to the rights of use of leased assets are presented as follows:

	Fixed assets related to the rights of use of leased assets
Cost	
Balance on January 1, 2024	43,224
Inputs	2,609
Outputs	(2,362)
Balance as of December 31, 2024	43,470
Balance as of January 1, 2025	43,470
Inputs	8,365
Outputs	-
Balance as of December 31, 2025	51,835
Cumulative depreciation	
Balance as of January 1, 2024	28,176
Depreciation expense	8,719
Cumulative depreciation of outputs	(1,575)
Balance as of December 31, 2024	35,320
Balance on January 1, 2025	35,320
Depreciation expense	9,557
Cumulative depreciation of outputs	-
Balance as of December 31, 2025	44,877
Depreciation adjustments	
Balance as of January 1, 2024	-
Expense with impairment adjustments	-
Balance as of December 31, 2024	-
Depreciation adjustments	
Balance on January 1, 2025	-
Expense with impairment adjustments	-

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

	Fixed assets related to the rights of use of leased assets
Balance as of December 31, 2025	-
NET BOOK VALUE	
Balance as of December 31, 2024	8,150
Balance as of December 31, 2025	6,958

The fixed assets related to the rights to use the leased assets - buildings represent the right to use the spaces leased by the Company in the Platinum office building, according to the provisions of IFRS 16 – Leasing Contracts.

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

On 05.05.2025, the Addendum no. 2 to contract C232/2020, extending the duration by 6 months, under the same conditions until 01.04.2026, with the amount of 900,000 euros (excluding VAT). Thus, the total value of the contract, for the area of 9,000 sqm, 35 parking spaces and a duration of 66 months, is 9,900,000 euros (excluding VAT).

As of December 31, 2025, the book value of the right to use the spaces leased by the Company in the Platinum office building is in the amount of RON 2,149.

For this contract, the Company pays a monthly amount of 16.67 euro/sqm (excluding VAT) for the rental of office spaces, resulting in an annual value of approx. 1.8 thousand. euro.

Smart SA had concluded a lease agreement consisting of the lease of an office building, with an area of 449.75 sqm, the Formenerg building on 3 Gheorghe Șincai Blvd., with a value of 53,970 euros/year in the amount of 10 euros/sqm representing 4,497.5 euros/month, with an addendum of extension until the end of 2025.

On January 8, 2026, a new lease agreement was concluded between Smart and RAPPs, which consists of the lease of the building D1, 8th floor located in Piața Presei Libere, no. 1 with an area of 394.60 sq.m., the monthly rent being 3,005.14 euros (7.62 euros/sq.m.) for a period of 1 year with the possibility of extension by additional documents.

At the same time, Smart has concluded a contract for assets with the right of use for vehicles, and the right of use is amortized over the life of the vehicles, being large machines used for interventions for maintenance and network repairs. The value of the monthly installment is 12,844.76 euros, the leasing contract is concluded for 60 months, starting with January 2025.

Teletrans SA has concluded a lease agreement that consists of the lease of the building, related land and courtyard building, with an estimated leasable area of 1080 sqm and a courtyard for exclusive use of 196 sqm located in 12 Stelea Spătaru Street, with an addendum signed during the year for extension until July 2028. The addendum implies an increase in rent from 8,600 euros/month to 9,460 euros/month, and from year 3 of the contract the value of the rent will be indexed annually with the HICP index.

As of December 31, 2025, the net value of the right to use the spaces leased by the consolidated companies in the respective office buildings is **1,663**.

Amounts recognised in the Statement of Cash Flows

	December 31, 2025	December 31, 2024
Total cash payments related to leasing contracts	(12,379)	(12,247)

Rents that are not subject to right-of-use assets, being short-term or low-value contracts, are found in the rental expense position in Note 26 Other operating expenses.

Payments related to the concession contract (royalty) are recognized as expenses in the profit and loss account by the Company during the year and are presented in Note 26.

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

7. Intangible assets

i) *Intangible assets*

On 31 December 2025 and 31 December 2024, the balance of intangible assets (including the capitalisation of the additional CPT) is as follows:

	Licenses & Software	Intangible assets in progress	Total
Cost			
Balance on January 1, 2024	64,383	10,076	74,459
Procurement	656	7,336	7,992
Transfers from intangible assets in progress	2,347	(2,347)	-
Transfers from property, plant and equipment in progress	28	-	28
Outputs	(28)	(2,802)	(2,830)
Balance as of December 31, 2024	67,386	12,262	79,649
Balance as of January 1, 2025	67,386	12,262	79,649
Procurement	649	39,009	39,657
Transfers from intangible assets in progress	36,805	(36,805)	-
Transfers from property, plant and equipment in progress	-	-	-
Outputs	(936)	-	(936)
Balance as of December 31, 2025	103,904	14,466	118,370
Cumulative depreciation			
Balance as of January 1, 2024	62,331	(16)	62,315
Depreciation expense	1,989	2	1,991
Cumulative depreciation of outputs	(28)	-	(28)
Balance as of December 31, 2024	64,292	(14)	64,278
Balance on January 1, 2025	64,292	(14)	64,278
Depreciation expense	3,197	2	3,199
Cumulative depreciation of outputs	(625)	-	(625)
Balance as of December 31, 2025	66,863	(11)	66,852
Depreciation adjustments			
Balance as of January 1, 2024	2	(2)	-
Expense with impairment adjustments	-	-	-
Balance as of December 31, 2024	2	(2)	-
Depreciation adjustments			
Balance on January 1, 2025	2	(2)	-
Expense with impairment adjustments	-	-	-
Balance as of December 31, 2025	2	(2)	-
NET BOOK VALUE			
Balance as of December 31, 2024	3,093	12,278	15,371
Balance as of December 31, 2025	37,038	14,479	51,517

Intangible assets in progress

The balance of **intangible assets under execution** as of December 31, 2025, in the amount of **14,479**, is represented by ongoing projects, the most significant being listed below:

- Implementation of new functions and software changes in the EMS - SCADA information system for the implementation of European and national legislative requirements – 6,321;

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

- Power Quality Monitoring System (PQMS) – 3,661;
- Development of the MARI platform – 3,132;
- Development of the PICASSO platform – 550;
- Development of the CMM (Capacity Management Module) platform – 434.

In 2025, there were transfers from intangible assets in progress to intangible assets in the amount of **36,805**, of which the most important are:

- Modernization of the Transelectrica messaging system – 12,937;
- Replacement of hardware components, updating and development of specific applications of the Balancing Market Platform - DAMAS II, migration and upgrade services acquisition component, specific applications for the Balancing Market - 11,539;
- Dedicated software development, necessary for determining the quantities of reserves using the probabilistic method – 5,943.

8. Financial fixed assets

The balance of financial assets as of December 31, 2025 and December 31, 2024, amounting to **40,309**, is mainly represented:

- guarantees for the temporary occupation of the land, calculated and retained in accordance with art. 39 para. (1), para. (2) and para. (5) of Law no. 46/2008 on the Forestry Code, in order to achieve the investment objectives, as follows:
 - 400 kV OHL Resita – Pancevo (Serbia) in the amount of 4,200;
 - 220 kV Ostrovu Mare RET OHL in the amount of 209.
- of shares held by the Company, their net value is 34,154, as follows:

	Shareholding %	December 31, 2025	Shareholding %	December 31, 2024
Shares held in Formenerg	-	-	100	1,948
Shares held in OPCOM	97.84	30,687	97.84	30,687
Shares held in BRM	0.35	28	0.32	26
Shares held in TSC NET	6.25	2,207	6.25	2,207
Shares held in Joint Allocation Office SA	3.85	1,232	4.00	1,232
Total shares		34,154		36,101

On September 23, 2025, the merger procedure was completed by absorption between the Company for Telecommunications Services and Information Technology in Electrical Transmission Networks – TELETRANS S.A., as the absorbing company, and the company "Formenerg" S.A., as the absorbed company (both companies being financial investments of the Company).

According to the applicable legislation, starting with September 23, 2025, the Teletrans took over all the rights and obligations assumed prior to the merger by the Formenerg.

Following the merger of the 2 companies, Transelectrica's shares in TELETRANS increased by 104, at the same time as the decrease in Transelectrica's shares held in FORMENERG.

BRM (Romanian Commodity Exchange S.A.)

A closed-ended joint-stock company, which by its object of activity, organization and operation is a commodity exchange, as regulated by Law no. 375/2005 on commodity exchanges and a financial investment services company according to Law no. 126/2018 on financial instruments markets.

Among BRM's shareholders is the Company, which owns 28 shares worth a total of 28,000 lei, with a participation share of 0.35%.

At European level, the energy sector is undergoing a transformation process, 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 European level that ensures unitary development at continental level but also allows adaptation to national specifications while pursuing the legitimate interests of European states.

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

- **TSCNET**
- **JAO**

TSCNET (TSCNET Services GmbH)

It was established to serve the Transmission System Operators (TSOs) of the East-Central-Western region of Europe (CORE region) in order to coordinate the implementation of the European Network Codes. The affiliation is made with the participation in the TSCNET shareholding by carrying out a share purchase transaction within the company.

By Decision no. 9 of the EGMS of June 5, 2018, the Company's affiliation to the Security Coordination Center in the CORE region, 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)

Starting with 2019, the tenders for the allocation of long-term capacities are carried out coordinated by JAO which has been designated as the Single Allocation Platform (SAP) Operator.

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

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

Financial investments in GECO Power Company

In March 2025, the Company participated with a 25% contribution to the share capital of Geco Power Company Green Energy Corridor Power Company.

The newly established company GECO enters the consolidation perimeter, being a jointly controlled company, of the Join Venture type. Thus, the consolidated financial statements include the Group's share of GECO's results based on the equity method.

	December 31, 2025
Participation rate (%)	25%
Share of the share capital	3,750
Share of retained earnings	-
Share of adjusted profit or loss: loss	(378)
Balance at the end of the reporting period	3.372

9. Inventories

On 31 December 2025 and 31 December 2024, the stocks (at net value) are presented as follows:

	December 31, 2025	December 31, 2024
Spare parts	33,296	31,680
Consumables and other materials	17,131	20,642
Auxiliary materials	4,007	3,893
Other inventories	6,228	1,930
Total	60,662	58,144

Stocks worth 60,662 (as of December 2024:58,144) are expected to be recovered/capitalized as follows:

	December 31, 2025	December 31, 2024
Stocks to be recovered in the next 12 months	23,807	18,404
Stocks to be recovered over a period of more than 12 months	36,855	39,740
Total	60,662	58,144

As of December 31, 2025 and December 31, 2024, the inventory impairment adjustments are as follows:

	December 31, 2025	December 31, 2024
Adjustments for impairment of consumables	10,053	6,879
Adjustments for impairment of other materials	5,483	5,329
Adjustments for impairment of packaging	122	122
Total	15,658	12,330

As of December 31, 2025 and December 31, 2024, the inventory impairment adjustments are as follows:

	December 31, 2025	December 31, 2024
Opening balance 1 january	12,330	13,857
Inventories impairment adjustments	5,474	1,842
Reversal of inventories impairment adjustments	(2,146)	(3,368)
Balance on the end of period	15,658	12,330

During 2025 and 2024, the expenses incurred with the consumption of materials and spare parts are presented as follows:

	December 31, 2025	December 31, 2024
Expenditures on spare parts	25,201	12,369
Expenditures on consumables	6,391	5,359
Expenditures on other materials	1,553	2,025
Expenditures on auxiliary materials	107	95
Expenditures on fuel	3,096	3,166
(Gains) / Inventory Depreciation Losses	3,344	-
Total	39,692	23,014

The presentation of the above breakdown of expenses with materials and consumables is modified compared to the previous period, so in accordance with the current presentation we mention that in December 2024 (Gains) / Inventory depreciation losses were in the amount of **(1,480)** and were found in Note 26 Other operating expenses.

10. Trade receivables and other receivables

On 31 December 2025 and 31 December 2024, trade receivables and other receivables are presented as follows:

	December 31, 2025	December 31, 2024
Trade receivables	2,549,214	2,708,161
Other receivables	248,977	233,647
Down payments to suppliers	374,940	769,896
VAT to recover	396,616	272,236
Adjustments for impairment of uncertain trade receivables	(126,980)	(128,066)
Adjustments for impairment of other uncertain receivables	(71,764)	(73,033)
Total	3,371,004	3,782,840

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

The structure of trade receivables is as follows:

	December 31, 2025	December 31, 2024
Clients on the electricity market, of which:	2,531,401	2,698,954
- Clients - operational activities	1,884,104	1,898,742
- Clients - balancing market	501,989	667,862
- Clients - bonus type support scheme to promote high efficiency cogeneration	145,308	132,351
Clients from other activities	17,814	9,206
Total trade receivables	2,549,214	2,708,161

For 2025, in the line "Net adjustments for impairment of receivables" in the profit and loss account in the amount of 6,452, it includes the following items:

- Adjustments (net) impairment of current assets in the amount of 1,845,
- (Net) losses from receivables and miscellaneous debtors in the amount of 4,607.

Risk exposure for trade receivables and miscellaneous debtors:

	Gross value 31 December 2025	Expected loss rate	Expected lifetime loss
Not reached to maturity	2,831,976	0.01%	340
Due date exceeded 1 – 30 days	(632)	0%	0
Due date exceeded 31 – 90 days	2,293	0%	0
Due date exceeded 90 – 180 days	27,749	1.75%	484
Due date exceeded 180 – 270 days	7,511	0.54%	41
Due date exceeded 270 – 365 days	702	47.10%	331
More than a year	303,533	65.08%	197,548
Total	3,173,132		198,744

- CNTEE Transelectrica SA carries out its operational activity based on the Operating License no. 161/2000 issued by ANRE, updated by the Decision of the President of ANRE no. 1793/26.08.2025, for the provision of the electricity transmission service, for the provision of the system service and for the administration of the balancing market.

As of December 31, 2025, the outstanding customers of the operational activity recorded a decrease compared to December 31, 2024 mainly determined by the decrease in the volume of transactions resulting from the coupling of the energy markets, in the fourth quarter of 2025 compared to the fourth quarter of 2024.

The decrease in the volume of transactions in the balancing market in the fourth quarter of 2025, compared to the fourth quarter of 2024, also led to a decrease in the balance of customers in the contracts concluded for this type of activity.

The main clients in the total trade receivables are represented by: Romanian Commodity Exchange, IBEX, MAVIR, Ciga Energy SA, Hidroelectrica, Electrica Furnizare SA, OPCOM, PPC ENERGIE SA, RAAN, JAO.

- 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 duties being the monthly collection of the contribution for cogeneration and the monthly payment of bonuses"*.

As of December 31, 2025, the Company registers receivables to be collected from the bonus support scheme for the promotion of high-efficiency cogeneration in a proportion of approximately 6% of total trade receivables (up from 5% as of December 31, 2024).

Customers in the bonus support scheme for the promotion of high-efficiency cogeneration register on December 31, 2025 an increase in receivables mainly determined by the increase in the invoiced value for the collection of the monthly contribution.

As of December 31, 2025, the Company has receivables in the amount of 145,308 (132,351 as of

December 31, 2024), represented by the invoices issued related to the bonus support scheme for the promotion of high-efficiency cogeneration, of which:

- overcompensation for the period 2011-2013 in the amount of 76,702, respectively from RAAN - 63,467 and CET Govora SA - 13,235;
- undue bonus for 2014, in the amount of 3,915, respectively from RAAN – 1,981, CET Govora – 1,934;
- undue bonus for 2015, in the amount of 564, respectively from CET Govora - 534, Interagro - 30;
- undue bonus for 2020, in the amount of 522 from Donau Chem;
- contribution for cogeneration not collected from electricity consumers' suppliers, in the amount of 20,430, respectively from: Transenergo Com – 5,882, Petprod – 4,391, Romenergy Industry – 2,681, RAAN – 2,386, UGM Energy – 1,504, CET Govora – 901, KDF Energy – 474 and others.

The situation of claims related to the bonus support scheme for the promotion of high-efficiency cogeneration is presented as follows:

	December 31, 2025	December 31, 2024
Overcompensation 2011 - 2013	76,702	76,702
Undue bonus for 2014	3,915	3,915
Undue bonus for 2015	564	564
Undue bonus for 2020	522	522
Uncollected cogeneration contribution	20,430	20,781
Invoices issued after the reporting date, related to the financial year ended	43,175	29,866
Total	145,308	132,351

As of the date of this financial reporting, the Company has collected all receivables related to the overcompensation of the activity regarding the support scheme for 2024, the amount of 8,601, from Contourglob Solutions, as well as the amount of 8,401 of the undue bonus established by ANRE Decisions for 2024, from the following producers: Bepco SRL, Electro Energy Sud, Electrocentrale București, Electrocentrale Craiova, Electrouilaj SA, Iasi Municipality, Soceram SA, Termoficare Oradea, Thermoenergy Group and Vest Energo.

In order to extinguish the receivables generated by overcompensation and undue bonus, from previous years, the Company requested the producers qualified in the support scheme to make mutual compensations. For the producers (RAAN, CET Govora) who did not agree with this method of extinguishing mutual receivables and debts, the Company has applied and continues to apply the provisions of art. 17 para. 5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and paying the bonus for electricity produced in high-efficiency cogeneration: *"if the producer has not paid in full to the administrator of the support scheme the resulting payment obligations in accordance with the provisions of this Regulation, the administrator of the support scheme shall pay the producer the difference between the value of the invoices issued by the producer and the payment obligations of the producer related to the support scheme, with the explicit mention, on the payment document, of the respective amounts"* and withheld from payment the amounts related to the support scheme due.

- On the docket of the Mehedinti Tribunal – Second Civil, Administrative and Fiscal Litigation Section, the file no. 9089/101/2013/a140 was registered, having as object "claims for the amount of 86,513", a file in which the Company has the status of plaintiff, the defendant being **the Autonomous Authority for Nuclear Activities – RAAN**.

By the request for summons filed by Transelectrica SA, it requested that the defendant RAAN be ordered to pay the amount of 86,513. More details regarding this file are presented in Note 30.

- CNTEE Transelectrica SA has concluded with CET Govora SA an agreement for the compensation and rescheduling of the amounts representing receivables from the value of the overcompensation for the period 2011-2013 and the undue bonus for 2014 (Agreement no. C 135/30.06.2015 and Addendum no. 1/04.08.2015). The duration of the Agreement was 1 year (July 2015-August 2016) and provided for the Company's right to calculate and collect penalties during the payment rescheduling period.

Based on the Agreement, the Company's receivables to be collected 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 retained by applying the provisions of Article 17 paragraph 5 of the ANRE President's Order 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 Sentence no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014 by which the value of the overcompensation for the period 2011-2013 was established, CET Govora SA no longer complied with the obligations assumed by the Convention.

Starting with May 9, 2016, the general insolvency procedure was opened for CET Govora. In order to recover the debts arising before the opening of the insolvency proceedings, the Company followed the specific procedures provided for by Law no. 85/2014 - Insolvency Law and requested the court to admit the claims, according to the law. In view of the above, starting with May 9, 2016, the Company ceased the application of the provisions of art. 17.5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency cogeneration and paid monthly to CET Govora the cogeneration bonus.

By Civil Decision no. 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal filed by ANRE against the Civil Sentence no. 3185/27.11.2015, partially quashed the appealed sentence and rejected the request for suspension formulated by CET Govora, the decision being final. Thus, starting with 05.10.2016, the effects of ANRE Decision no. 738/28.03.2014 are no longer suspended, producing full effects.

Under these conditions, the Company applies the provisions of art. 17 paragraph 5 of ANRE Order no. 116/2013 for the debts and mutual receivables arising after the insolvency procedure, in the sense of withholding the bonus due to CET Govora SA up to the amount of the amounts related to the unpaid support scheme to the Company. Transelectrica was entered in the preliminary and final table with a total claim of 28,200, of which the amount of 25,557 is related to the support scheme. Under these conditions, the Company included the amount of 22,188 related to the support scheme in the account of various debtors, analytically distinct - ANRE, with an impact on the net position of the support scheme.

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

On 25.03.2022, by Government Decision no. 409/2022, 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 demand for useful thermal energy. Thus, the period of application of the support scheme is extended until 2033, exclusively for producers who meet the conditions to access the extension of the support scheme.

At the same time, the financial closure of the support scheme that will be carried out in the first half of 2034 is also extended.

Other receivables

As of December 31, 2025, other claims amounting to **248,977 (233,647 as of December 31, 2024)** mainly include:

- miscellaneous debtors **104,098 (135,507 as of December 31, 2024)**, of which:
 - late payment penalties calculated for non-paying customers, in the amount of 75,041 (of which 25,854 represent penalties related to the support scheme) (80,489 as of December 2024, of which 25,853 penalties for the support scheme). The highest late payment penalties were recorded by the partners: Romelectro (24,464), RAAN (16,901), CET Govora (9,607), Electromontaj SA (5,865), OPCOM (4,625), Total Electric Oltenia (3,289), Multiservice G&G SRL (2,162), Petprod (1,894), GE Digital Service Europe (1,137), ISPE Design and Consultancy (1,079). For the penalties calculated for the late payment of receivables from the operational activity, impairment adjustments were recorded;
 - compensations owed by suppliers for non-delivery of electricity in the amount of 11,924: Arelco Power (988), Enol Grup (2,541) and Next Energy Partners (8,395). For the compensations due by the suppliers in the operational activity, impairment adjustments were recorded;
 - the receivable from OPCOM representing the VAT related to the contribution in kind to the share capital of the respective company in the amount of 4,517.
- amounts received as a subsidy (**31,924**) (9,866 as of December 2024), mainly related to the contracts for connection to the RET;

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

- expenses recorded in advance in the amount of **10,291 (15,627** as of December 31, 2024) represented mainly by: CPT (5,747), insurance policies (1,730), rent and maintenance of office buildings (763), miscellaneous services (279) and others;
- other social claims in the amount of **4,513 (3,658** as of December 31, 2024) mainly representing sick leaves paid by the employer to employees and to be recovered from the National Health Insurance House, according to the legislation in force.

Advances to suppliers

As of December 31, 2025, the advances paid to suppliers are represented by debtor suppliers for services in the amount of **374,940** (769,896 as of December 31, 2024) and represent, mainly, amounts from transactions related to the price coupling mechanism (ICP - *Interim Coupling Project*, SIDC - *Single Intraday Coupling*, SDAC - *Single Day-ahead Coupling* and IDA - *"IntraDay Auction"*) (MAVIR – 303,225, IBEX – 56,214 and JAO – 12,857).

VAT to be recovered

VAT to be recovered **396,616 (272,236** as of December 31, 2024) – amount related to returns for the period September 2025 – December 2025. Until the date of preparation of this report, the Company has collected from the state the amount of 267,046, representing the value added tax requested for reimbursement related to the statements for the period September – November 2025.

Impairment adjustments for trade receivables, uncertain trade receivables and other uncertain receivables

The largest impairment adjustments as of December 31, 2025, calculated for trade receivables and related penalties, were recorded for: JAO (30,752), CET Govora (24,645), Romelectro (24,471), Arelco Power (14,513), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), OPCOM (9,143), RAAN (8,517), Next Energy Partners (8,395).

In order to recover the debts adjusted for impairment, the Company has taken the following measures: legal action, registration in the insolvency estate, etc.

For both 2024 and 2025, there were no material impairments for specifically identified receivables. Details of the movements related to the adjustments for the impairment of receivables can be found in Note 34.

11. Cash and cash equivalents

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

On 31 December 2025 and 31 December 2024, cash and cash equivalents are presented as follows:

	December 31, 2025	December 31, 2024
Current accounts with banks and deposits, of which:	761,057	707,030
a) <i>current accounts with banks and deposits current activity</i>	89,564	200,420
b) <i>current accounts with banks and deposits with specific destinations, from which</i>	671,493	506,610
- Cash and high-efficiency cogeneration deposits	-	300,321
- cash from revenues related to the allocation of interconnection capacities used for investments in the network	1,886	3,903
- cash from the connection fee	297,638	88,099
- European funds	7	54
- other restricted accounts (guarantees, energy markets and dividends)	371,290	109,417
- modernization funds	672	4,817
Cash desk	135	144
Other cash equivalents	-	-
Total	761,192	707,174

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

The following information is relevant in the context of the consolidated statement of cash flows

	December 31, 2025	December 31, 2024
Current accounts with banks and deposits and other cash equivalents	761,192	707,174
Overdrafts used for liquidity management purposes	(177,421)	-
Total cash and cash equivalents in the consolidated statement of cash flows	583,771	707,174

Cash is placed in financial institutions, which are considered to be associated with minimal performance risk.

Rating/Outlook	December 31, 2025	December 31, 2024
BBB+ / Stable	-	523,730
BBB+ / Negative	116,971	-
AA- / Stable	11,747	10,531
A- / Stable	-	1,534
BBB- / Positive	-	2,226
BBB- / Stable	1,041	19,795
BBB / Stable	58	63
BBB-/Negative	18,508	-
BBB / Negative	-	-
BB / Stable	152	153
BB+ / Stable	-	26
A+ / Stable	612,579	148,972
Total	761,057	707,030

All financial institutions are rated by Fitch or equivalent.

12. Other financial assets

Other financial assets include bank deposits with an initial maturity of more than 90 days.

As of December 31, 2025, there are no bank deposits with an initial maturity of more than 90 days.

13. Equity

Share capital

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

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

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

Pursuant to the Government Emergency Ordinance (GEO) no. 68/2019 for the establishment of measures at the level of the central public administration and for the modification and completion of some normative acts, published in the Official Gazette no. 898/06.11.2019, starting with November 6, 2019, the exercise of the rights and the fulfillment of the obligations arising from the status of state shareholder in the National

CNTEE TRANSELECTRICA SA - IFRS EU**Explanatory Notes to the Consolidated Financial Statements as at December 31, 2025***(All amounts are expressed in thousand LEI, unless otherwise indicated)*

Electricity Transmission Company "Transelectrica" - S.A. is carried out by the General Secretariat of the Government.

On 14.11.2019, Depozitarul Central S.A. recorded 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 to the Government, as a result of the implementation of the provisions of the Government Emergency Ordinance no. 68/06.11.2019 on the establishment of measures at the level of the central public administration and for the modification and completion of some normative acts.

As of December 31, 2025, the shareholders of CNTEE Transelectrica SA are: the Romanian State represented by the General Secretariat of the Government which holds a number of 43,020,309 shares (58.69%), the privately managed pension fund NN with a number of 4,007,688 shares (5.47%), PAVAL HOLDING with a number of 4,753,567 shares (6.49%), other shareholders Legal Entities with a number of 16,839,437 shares (22.97%) and other shareholders Individuals with a number of 4,682,141 shares (6.38%).

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

The shareholding structure as of December 31, 2025 and December 31, 2024 is as follows:

Shareholder	December 31, 2025		December 31, 2024	
	Number of shares	% of share capital	Number of shares	% of share capital
The Romanian State through SGG	43,020,309	58.69%	43,020,309	58.69%
Other legal person shareholders	16,839,437	22.97%	16,442,683	22.43%
PAVAL HOLDING	4,753,567	6.49%	4,753,567	6.49%
NN Group NV	4,007,688	5.47%	4,007,688	5.47%
Other natural person shareholders	4,682,141	6.38%	5,078,895	6.92%
Total	73,303,142	100.00%	73,303,142	100.00%

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

On December 31, 2025 and December 31, 2024, the share capital is presented as follows:

	December 31, 2025	December 31, 2024
Share capital (nominal value)	733,031	733,031
Share capital balance	733,031	733,031

Shareholders are entitled to dividends and each share confers a voting right at the Company's meetings.

Issue premium

All the shares issued under the share capital increase that took place through the initial primary public offering in 2006 were subscribed and paid in full at the issue price. The issue premium in the amount of 50,222 **(49,843 as of December 31, 2024)**, respectively the difference between the issue price of the shares and their nominal value, was recorded in the Company's reserve account.

Legal reservations

The legal reserves in the amount of 146,606 as of December 31, 2025 and December 31, 2024, represent legal reserves constituted according to the applicable legislation in force and cannot be distributed.

Revaluation reserves

The revaluation reserves are in the amount of **1,496,393** as of December 31, 2025 and in the amount of **1,596,896** as of December 31, 2024.

In 2025, revaluation reserves in the amount of 18,050 taken over by the Teletrans based on the merger with

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

Formenerg, which in 2024 was not part of the consolidation perimeter, were also included in the revaluation reserves.

The last revaluation of tangible assets classified in group 1 – *Constructions* and in Group 2 – *Technical installations, means of transport* registered in the Company's private assets was carried out on December 31, 2023 by Appraisal & Valuation, the valuation and consultancy division of NAI Romania, an independent appraiser authorized by the National Association of Licensed Appraisers in Romania.

Transelectrica's policy is that the revaluation reserve included in the equity related to an item of tangible fixed assets is transferred directly to the retained profit as the revalued tangible asset is depreciated and when the asset is derecognized. In this case, the amount of the surplus transferred would be the difference between the depreciation calculated on the basis of the revalued carrying amount of the asset and the depreciation amount calculated on the basis of the initial cost of the asset. Transfers from the revaluation surplus to retained earnings are not made by profit or loss. The effects in the calculation of corporate income tax, if any, resulting from the revaluation of tangible assets are recognised and presented in accordance with IAS 12 – Corporate Income Tax.

The revaluation reserves cannot be distributed directly to the shareholders, but only after their transfer in the retained earnings.

Other reserves

As of December 31, 2025, other reserves are in the amount of **299,170** compared to **256,747** as of December 31, 2024. The increase in the balance of other reserves as of December 31, 2025 compared to December 31, 2024 in the amount of 42,423 is mainly due to subsidies related to fixed assets belonging to the public domain received for the following investment objectives:

- Relocation/prot. 400 kV high voltage network - 400 kV Urechești-Domnești OHL and 400 kV Brazi Vest-Domnești OHL at the intersection with the Bucharest Ring Highway - Km 0+000, Km 100+900, Lot 3, Sector 1, Km 85+300, Km 100+765 - South Belt, Sector 2, Km:0+00 – 15,326;
- Execution of works for the relocation of high-voltage electrical networks - 400 kV (220 kV) Gutinaș - Focșani West OHL common circuit with 400 (220) kV OHL Focșani West-Barboși and Buzău - Focșani Highway - Design and Execution - 5,053;
- Relocation of the 220 kV networks for the Bucharest Ring Highway, Km 0+000 - Km 52+770, LOT 4 Km 47+600 - Km 52+070 - 4,765;
- Relocation of the 220 kV networks for the Bucharest Ring Highway, km 0+000-km 100+900, North Ring Road Sector, km 0+000-km 52+770, LOT 3 km 39+000-km 47+600 – 4,296;

Retained earnings

The result carried forward to December 31, 2025 is in the amount of **3,172,260** (December 31, 2024: **2,873,861**).

As of December 31, 2025, the Company recorded a positive retained result mainly due to the change in the following items:

- recording the transfer of revaluation reserves to the extent of the amortization of fixed assets in the retained profit in the amount of **117,767 (135,761 as of December 31, 2024)**;
- recording in the retained profit the net profit, in the amount of **440,177 realized on 31.12.2025 (556,973 on December 31, 2024)**;
- recording the actuarial loss in the retained profit in the amount of 21,911 (December 31, 2024, loss: 414). This amount resulted from the application of IAS 19 – Employee Benefits (Note 16).
- recording the distribution of the profit for 2024 as dividends that were allocated to shareholders in 2025 in the amount of 279,285 (20,525 as of December 31, 2024).

Dividend

Romanian companies may distribute dividends from statutory profits, according to the statutory individual financial statements prepared in accordance with the Romanian accounting regulations.

On June 11, 2025, the Company's General Meeting of Shareholders approved the total amount of dividends distributed to shareholders from the 2024 profit in the amount of 279,285 (2024: 20,525). The amount of dividends per share distributed was RON 3.81 per share (2024: RON 0.28/share).

Of the dividends distributed by the Company in the amount of 279,285 (2024: 20,525), dividends in the amount of 278,796 (2024: RON 20,584 thousand) were paid, the difference representing dividends not raised by shareholders.

14. Advance revenue

The advance revenues are mainly represented by: the connection tariff, other investment subsidies, non-reimbursable European funds collected from the Ministry of European Funds, from the Ministry of Energy, Government General Secretariat as well as revenues from the use of the interconnection capacity.

The statement of advance revenues as of December 31, 2025 and December 31, 2024 is presented as follows:

	December 31, 2025	Of which the short- term portion as of December 31, 2025	December 31, 2024	Of which the short- term portion as of December 31, 2024
Deferred revenues – allocation of the interconnection capacity	3,955	3,955	6,728	6,728
Deferred revenues – European funds	2,632	2,632	3,335	3,335
Deferred revenues – Other	1,221	1,221	-	-
Connection fee funds	506,334	7,789	296,793	7,155
European Funds	320,157	8,095	232,180	2,299
Other subsidies	20,963	349	21,211	2,716
Total	855,261	24,041	560,247	22,232

The evolution of short-term advance revenues between January and December 2025 is presented as follows:

	December 31, 2025	December 31, 2024
Opening balance 1 january	22,232	16,138
Cash in advance related to interconnection capacity	128,019	93,714
Proceeds from European funds	-	2,585
Proceeds from other funds	1,527	
Transfer of long-term deferred revenues	3,778	(2,095)
Revenues from the use of interconnection capacities	(130,792)	(88,040)
Revenues from European funds	(723)	(70)
Balance on the end of period	24,041	22,232

The evolution of long-term advance revenues between January and December 2025 is presented as follows:

	December 31, 2025	December 31, 2024
Balance on January 1	538,015	519,115
Connection subsidies	259,419	47,520
Non-reimbursable funds	29,754	43,189
PNRR	123,761	-
Transfer from short term deferred revenues	(74,197)	(85,944)
Resumption of subsidies to revenues	(45,532)	14,134
Balance at the end of the period	831,220	538,015

15. Loans

For 2025, the movements related to loans are presented as follows:

	Currency	Interest rate	Book value
Balance as of January 1, 2025			40,559
Drawdowns – current activity – BCR	RON	ROBOR + commission	169,053
Refunds, of which:			(24,239)
EIB 25709	EUR	3,60%	(12,096)
EIB 25710	EUR	3,856%+2,847%	(12,143)
Exchange rate differences on the date of redemption			452
Balance as of December 31, 2025			185,825

Long-term loans

As of December 31, 2025, the value of long-term loans decreased compared to December 31, 2024 mainly due to repayments made under existing loan agreements.

On 31 December 2025 and 31 December 2024, the balance of long-term loans contracted from credit institutions shall be as follows:

Description	December 31, 2025	December 31, 2024
EIB 25709 (i)	-	11,975
EIB 25710 (i)	8,116	19,928
Total long-term loans from credit institutions, of which:	8,116	31,903
Less: Current portion of long-term loans	(6,645)	(23,985)
Total long-term loans, net of current rates	1,471	7,918

Situation of long-term loans as of 31.12.2025:

Nr.crt	Loan name	Date of award	Initial Value (Currency)	Balance as of 31.12.2025 (currency)	Balance as of 31.12.2025 RON	Interest rate	Maturity according to the loan
1EIB 25709		05.08.2010	32.500.000,00 EUR	-	-	3,596%	10.09.2025
2EIB 25710		05.08.2010	32.500.000,00 EUR	1.591.880,29 EUR	8.116.202	3.856% and 2.847%	11.04.2028
Total					8.116.202		

Long-term loans are detailed as follows:

a) and b) Loan granted by the European Investment Bank (EIB)

Loans no. EIB 25709 and EIB 25710 were granted by the EIB on 5 August 2010 to finance the modernisation and rehabilitation of the Electricity Transmission Network in Romania. The value of each loan is EUR 32,500,000. 25709 is not guaranteed, while the loan no. 25710 is guaranteed by BNP Paribas SA Bucharest Branch. The repayment period is 15 years, with a grace period of 2 years. Repayment shall be made from 2012 to 2025 for EIB loan 25709 (on 10 March and 10 September each year) and from 2013 to 2028 for EIB loan 25710 (on 11 April and 11 October each year). The interest rate is 3.596% for the EIB loan 25709, and for the EIB loan 25710 it is 3.856% and 2.847%.

The amount due on 31 December 2025 for EIB loan 25709 is EUR 0 and for EIB loan 25710 is EUR 1,591,880.29.

EIB Loan Agreement 25709 contains certain financial clauses: (i) the ratio of EBITDA to interest on long-term loans paid during the year must be at least 4.2; (ii) the ratio of long-term obligations to equity must not exceed 0.95; (iii) the ratio between total net debt and EBITDA is a maximum of 3.5.

The EIB loan 25710 is guaranteed by BNP Paribas SA Bucharest Branch. The guarantee contract was concluded on 20.12.2019 for a period of 3 years, guarantee fee of 0.40% per year calculated at 115% of the value of the loan remaining to be repaid. On 31.10.2022, amendment no. 2, amendment ensuring the

guarantee of EIB credit 25710 until 11.11.2028. For this period, the guarantee fee is 0.6% per year, calculated at 115% of the value of the loan remaining to be repaid.

As of December 31, 2025, EIB loan 25709 is repaid in full, as a result, it no longer required the calculation of the financial indicators provided for in the loan agreement.

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

	December 31, 2025	December 31, 2024
Between 1 and 2 years	980	6,483
Between 2 and 5 years	490	1,435
Over 5 years	-	-
Total	1,471	7,918

The Company has not carried out hedging activities against the risks related to its foreign currency obligations or exposure to the risks associated with the interest rate.

All long-term loans outstanding on 31.12.2025 are subject to fixed interest rates.

Current borrowings

Short-term loans are detailed as follows:

	December 31, 2025	December 31, 2024
Current portion of non-current borrowings	6,645	23,985
Short-term bank loans	172,419	-
Credit lines of Smart and Teletrans	5,002	8,354
Interest related to the non-current and current loans	288	303
Total current borrowings	184,354	32,641

- *Loans contracted for current activity*

On 30.03.2022, Transelectrica concluded the loan agreement no. C624 with Banca Comercială Romanian for a period of 12 months to finance the bonus support scheme for high-efficiency cogeneration, in the form of an overdraft, in the amount of 175,000, with an interest calculated according to the **ROBOR 1M reference rate, to which is added a margin of 0% and a commission of 0.088%.**

On 04.01.2023, Transelectrica concluded the Addendum no. 1 to the credit agreement no. C624 concluded with Banca Comercială Romanian, having as object the extension of the purpose of the credit line also to cover temporary working capital needs and to extend the validity of the contract by 12 months (from 30.03.2023 to 30.03.2024).

On 27.03.2024, Transelectrica concluded the Addendum no. 2 to the loan agreement no. C624 concluded with Banca Comercială Romanian, having as object the extension of the validity of the contract by 12 months (from 30.03.2024 to 30.03.2025).

On 27.03.2025, Transelectrica concluded the Addendum no. 3 to the credit agreement no. C624 concluded with Banca Comercială Romanian, having as object the extension of the validity of the contract by 12 months (from 30.03.2025 to **30.03.2026**).

The credit line is secured by:

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

As of December 31, 2025, the credit line is 99% utilized.

- *Loans contracted by Smart and Teletrans*

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

- a) RON 46 million for the purpose of financing working capital for a **period of 48 months** with a variable interest rate depending on the 3M ROBOR to which is added the bank's margin (**ROBOR 3M + 1.65 p.p.**), of which: RON 15 million overdraft loan, with a revolving character (the first uses being for the refinancing of the facility granted by Exim – Banca Românească), 10 million lei for the financing of VAT related to investments (PNRR project), with a revolving character and guarantee facility, with a revolving character up to the amount of 46 million lei.
- b) RON 37 million for the purpose of financing the working capital **for a period of 36 months** with a variable interest rate depending on the 3M ROBOR plus the bank's margin (**ROBOR 3M + 1.95 p.p.**), of which: RON 10 million for the financing of working capital in connection with the execution of the works related to the Works Contracts (up to RON 4.5 million for uses in connection with the Sunlight Ventures Project and up to the amount of RON 10 million uses in connection with the Black Sea Renewables Project, the sub-limits can be used in any combination) and guarantee facility, of a revolving nature up to the amount of 37 million lei.

On 02.07.2025, through Addenda no.1, the period of use of the ceilings of the two multi-product credit facilities was extended until **06.08.2026**.

As of December 31, 2025, the balance drawdowns from the ceilings of the multi-product credit facilities in the amount of 5,002.

(c) On **February 3, 2025**, the Teletrans contracted from the Romanian Commercial Bank an overdraft loan with a ceiling of 10 mln. Lei, granted for a period of **12 months** with a variable interest rate depending on the 3M ROBOR to which the bank's margin is added (**3M ROBOR + 0.75 p.p.**) for the purpose of financing the current activity.

On 27.01.2026, through the Addendum no.1, the period of use of the overdraft credit facility ceiling was extended until **02.02.2027**.

As of December 31, 2025, Teletrans does not present a balance related to the drawdowns from the credit line.

16. Obligations regarding employee benefits

According to the collective bargaining agreement, applicable in 2025, the Group provides long-term benefits to employees, depending on their length of service and seniority within the Company. The benefits granted to employees with management positions are presented in Note 32 - Remuneration of the Company's management.

The actuarial calculations regarding the post-employment benefits and other long-term benefits were determined by a licensed actuary, based on the service contract concluded with Proficariere SRL.

The obligations regarding employee benefits are presented as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Jubilee premiums	66,893	63,108
Benefits granted for total incapacity for work (invalidity)	235	236
Retirement bonuses	19,737	42,926
Benefits granted for death from other causes	1,570	1,792
Benefits granted for death from a work accident	408	411
Free electricity granted to current retired employees and current retirees	10,435	7,687
Total	<u>99,278</u>	<u>116,159</u>

The obligations regarding employee benefits are in the total amount of 99,278 as of December 31, 2025, of which the amount of 15,299 represents the short-term portion.

	Short-term obligations	Long-term obligations
Jubilee premiums	12,854	54,040
Benefits granted for total incapacity for work (invalidity)	-	235
Retirement bonuses	1,631	18,106
Benefits granted for death from other causes	-	1,570
Benefits granted for death from a work accident	-	408
Free electricity for current post-retirement employees and retired employees	814	9,621
Total	15,299	83,979

Significant actuarial assumptions used to determine the present value of the defined benefit obligation

Discount rate

- Due to the lack of structural data and the volatility of yields, the interest rates on risk-free investments published by the E.I.O.P.A. at the end of December 2025 were considered.

Inflation

- At the time of the assessment, according to the National Institute of Statistics, the annual inflation rate in December 2025 compared to December 2024 was 9.7%. To make the projection, starting in 2026, we modeled wage growth as close to the discount rate. Thus, in the following years, in order to have a compatible and impartial data set, the salary increase was considered to have a weighted average 1% higher than the discount rate values.

Legal retirement age

- In accordance with Law no. 360 of 29.11.2023, the legal retirement age is 65 years for men and women, with the exceptions provided in Annex no. 5 to this law. Thus, the legal provisions were used to model the retirement date, taking into account the demographic specificity of the group of employees.

Mortality

- The mortality table of the Romanian population, men / women, 2022, urban environment was used (Source: National Institute of Statistics).

Labour migration

- To model departures from the company, values of labor migration with a weighted average of 2.1% per year were used, consistent with the real values of each of the groups of employees in the companies. The percentages used for departures from the company tend to zero with increasing age - for people who are older it can be considered a percentage of labor migration that decreases to zero.

Fees and Taxes

- All taxes valid on 31.12.2025 were included in the calculation of retirement obligations.

Analysis of the maturities of the present obligations

Estimated provisions, depending on their duration to maturity	Jubilee Prime Obligations	Pension obligations	Electricity aid obligations for pensioners - former employees	TOTAL
Duration <= 1 year	12,854	1,631	814	15,299
Duration >1 year and <=3 years	10,142	557	1,574	12,273
Duration >3 years and <=5 years	11,211	3,991	1,533	16,735
Duration >5 years and <=10 years	15,442	6,364	3,576	25,381
Duration >10 years	17,245	7,194	2,939	27,377
TOTAL	66,893	19,737	10,435	97,065

The weighted average duration of retirement obligations for the companies in the group was 9.08 years.

Sensitivity Analysis

	Jubilee Prime Obligations	Obligations for retirement	Obligations for disability	Obligations for death from other causes	Obligations for death from a work accident	Electricity quota aid obligations for pensioners - former employees	Total obligations
Obligation amounts at the reporting date	66,893	19,737	235	1,570	408	10,435	99,278
Refresh rate +1%	62,587	18,163	233	1,548	404	9,596	92,530
Discount rate -1%	71,824	21,546	237	1,587	411	11,398	107,003
Wage growth rate +1%	72,410	21,520	248	1,587	430	11,379	107,574
Wage growth rate -1%	61,991	18,154	223	1,547	387	9,596	91,898
Departure rate +1%	66,780	19,119	234	1,636	405	10,399	98,573
Departure rate from the company - 1%	67,024	20,426	236	1,501	410	10,471	100,067
Increase in life expectancy at birth by 1 year	66,923	19,936	235	1,441	408	10,912	99,855
Decrease in life expectancy at birth by 1 year	66,859	19,506	235	1,721	407	9,937	98,665

For the valuation of the obligations related to employee benefits, the actuary who prepared the actuarial report used the projected unit credit method. This method involves the following steps: data collection and analysis, determination of assumptions, calculation of the benefit to be paid if the respective event occurs - using the projection of financial values, then evaluation of the present value of the obligations, taking into account the discount rates and probabilities of the person's exit from the benefit scheme.

CNTEE TRANSELECTRICA SA - IFRS EU
Explanatory Notes to the Consolidated Financial Statements as at December 31, 2025
(All amounts are expressed in thousand LEI, unless otherwise indicated)

OBLIGATIONS REGARDING EMPLOYEE BENEFITS

	December 31, 2024	Interest cost	Current Service Cost	Payments from the provision	(Gain)/Actuarial Loss for the Period	December 31, 2025
Jubilee benefits to be granted to current employees	63,108	4,088	10,570	(7,734)	(3,138)	66,893
Benefits granted for total incapacity for work (invalidity)	236	14	10	-	(25)	235
Benefits related to retirement bonuses for current employees	42,926	1,038	1,542	(1,060)	(24,709)	19,737
Benefits granted for death from other causes	1,792	110	(82)	(172)	(78)	1,570
Benefits granted for death from a work accident	411	25	33	-	(61)	408
Benefits related to the value of electricity that will be paid to current employees after retirement	2,849	174	-	-	(3,023)	-
Benefits related to the payment of the equivalent value of electricity to be paid to current pensioners	4,838	296	130	(814)	5,985	10,435
Total	116,159	5,745	12,203	(9,779)	(25,049)	99,278
	December 31, 2023	Interest cost	Current Service Cost	Payments from the provision	(Gain)/Actuarial Loss for the Period	December 31, 2024
Jubilee benefits to be granted to current employees	55,221	4,224	10,708	(6,195)	(850)	63,108
Benefits granted for total incapacity for work (invalidity)	-	-	-	-	236	236
Benefits related to retirement bonuses for current employees	31,159	1,970	7,328	(2,020)	4,488	42,926
Benefits granted for death from other causes	-	-	568	(62)	1,287	1,792
Benefits granted for death from a work accident	-	-	46	-	365	411
Benefits related to the value of electricity that will be paid to current employees after retirement	5,804	388	1,167	(295)	(4,216)	2,849
Benefits related to the payment of the equivalent value of electricity to be paid to current pensioners	5,705	382	-	(352)	(896)	4,838
Total	97,888	6,964	19,817	(8,924)	414	116,159

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

17. Trade and other liabilities

As of December 31, 2025 and December 31, 2024, trade and other liabilities are presented as follows:

	December 31, 2025	December 31, 2024
Providers - electricity market	1,676,250	2,253,148
Asset providers	366,779	158,614
Providers of other activities	32,956	45,938
Amounts due to employees	18,392	16,143
Other liabilities	1,329,697	1,381,401
Total	3,424,075	3,855,244

As of December 31, 2025 and December 31, 2024, the outstanding debts on the energy market in the amount of 1,676,250 and 2,253,148, respectively, have the following structure:

	December 31, 2025	December 31, 2024
Providers - electricity market, of wich:		
-providers - operational activity	1,078,790	1,496,225
-providers - balancing market	517,983	711,977
-providers- bonus type support scheme to promote high efficiency cogeneration	79,477	44,946
Total	1,676,250	2,253,148

The suppliers on the electricity market are mainly represented by: MAVIR, IBEX, Hidroelectrica SA, Electrica Furnizare SA, Romanian Commodity Exchange, Oltenia Energy Complex SA, Electrocentrale București, OPCOM, CIGA Energy SA, Joint Allocation Office. As of December 31, 2025, their share of total energy suppliers is 81.53% (86.30% as of December 31, 2024).

The decrease in the balance of "debts related to operational activity" in the analyzed period was influenced by the model of price formation based on supply and demand for the coupling of the electricity market. The default allocations, in which capacity and energy are provided for simultaneously, have been influenced by changes in the price of electricity on European stock exchanges.

The decrease in the balance of "balancing market debts" was driven by the decrease in the volume of transactions recorded on the balancing market in the fourth quarter of 2025, compared to the fourth quarter of 2024.

The increase in the "debts related to the support scheme" to suppliers (producers) was determined by the increase in the value of the monthly bonus for high-efficiency cogeneration in December 2025, compared to December 2024.

As of December 31, 2025, there are payment obligations to suppliers (producers) in the amount of 3,369 to CET Govora SA (monthly cogeneration bonus and pre-overcompensation for 2015). The amounts representing the Company's debts related to the support scheme to CET Govora were withheld for payment based on art. 17 para. 5 of the Order of the President of ANRE no. 116/2013, as the supplier (the producer) has payment obligations towards the Company on the bonus support scheme.

The company asked the supplier (producer) who did not pay the overcompensation invoices, the agreement to compensate the mutual debts at their minimum level through the Institute of Management and Informatics (IMI) which managed unitarily all the information received from taxpayers, based on the provisions of GD no. 773/2019.

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

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

CNTEE Transelectrica SA has concluded with CET Govora SA an agreement for the compensation and rescheduling of the amounts representing receivables from the value of the overcompensation for 2011-2013 and the undue bonus for 2014 (Agreement no. C 135/30.06.2015 and Addendum no. 1/04.08.2015). The duration of the Agreement was 1 year (July 2015-August 2016) and provided for the Company's right to calculate and collect penalties during the payment rescheduling period.

Based on the Agreement, the Company's receivables to be collected 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 retained by applying the provisions of art. 17 paragraph 5 of the Order of the President of ANRE no. 116/2013 and the provisions of the Convention, in the amount of 40,507,669.

Following the suspension in court, by Civil Sentence no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014 by which the value of the overcompensation for the period 2011-2013 was established, CET Govora SA no longer complied with the obligations assumed by the Convention. Starting with May 9, 2016, the general insolvency procedure was opened for CET Govora. Considering the provisions of Law no. 85/2014 - Insolvency Law, the Company has stopped, starting with May 9, 2016, the application of the provisions of art. 17.5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency cogeneration and pays monthly to CET Govora the cogeneration bonus due by it. By Civil Decision no. 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal filed by ANRE against the Civil Sentence no. 3185/27.11.2015, partially quashed the appealed sentence and rejected the request for suspension made by CET Govora. Thus, starting with 05.10.2016, the effects of ANRE Decision no. 738/28.03.2014 are no longer suspended, producing full effects.

Under these conditions, the Company applies the provisions of art. 17 paragraph 5 of ANRE Order no. 116/2013 for the debts and mutual receivables arising after the insolvency procedure, in the sense of withholding the bonus due to CET Govora SA up to the amount of the amounts related to the unpaid support scheme to the Company.

The increase in the balance of "fixed asset suppliers" as of December 31, 2025 compared to December 31, 2024 was due to the purchases of fixed assets that were received towards the end of the year, but for which the payment term is in 2026.

Debts to "other activity providers" are mainly represented by debts related to services provided by third parties, which have not reached maturity, debts that have decreased compared to December 31, 2024.

As of December 31, 2025, the Company has no outstanding debts to suppliers (state budget, local budget or other public institutions).

The structure of the liabilities recorded in "**other liabilities**" is presented as follows:

	December 31, 2025	December 31, 2024
Various creditors	235,434	385,573
Client-creditors	683,811	850,989
Dividends to pay	622	134
Other liabilities	409,830	144,705
Total	1,329,697	1,381,401

➤ "Miscellaneous creditors", in the amount of **235,434** as of December 31, 2025 (**385,573** as of December 31, 2024), represent, mainly:

- the net position of the support scheme for high-efficiency cogeneration, debt position, in the amount of 204,964.

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 value of the overcompensation of the activity of producing electricity and heat in high-efficiency cogeneration, the undue bonus to be collected from the producers, according to ANRE decisions, on the one hand, and
- ✓ the amount of the cogeneration bonus, the pre-overcompensation and the bonus not granted to be paid to the producers of high-efficiency cogeneration energy, beneficiaries of the support scheme, on the other hand;

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

- 26,240 contracts for solution studies for the connection to the RET;
 - 1,938 royalty in the fourth quarter of 2025;
 - 1,219 guarantees for participation in auctions, performance guarantees and others.
- The "creditor customers", as of December 31, 2025, are in the amount of **683,811 (850,989** as of December 31, 2024), of which 667,488 represent amounts received in advance in transactions related to price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling), FBMC (Flow Based Market Coupling) and IDA (Intra Day Auction), from: BRM (411,669), IBEX (151,579), MAVIR (67,667), OPCOM (35,506) and JAO (1,066).
- As of December 31, 2025, the dividends due to the Company's shareholders and unpaid are in the amount of **622 (134** as of December 31, 2024). These amounts are available to shareholders through the paying agent.
- "Other debts", in the amount of **409,830 (144,705** as of December 31, 2024), are mainly represented by the guarantees of good payment of contracts on the electricity market concluded by CNTEE Transelectrica SA in the amount of 372,524, VAT not payable in the reporting period in the amount of 34,996 and others.

LEASING OBLIGATIONS

As of December 31, 2025 and December 31, 2024, the liability for fixed assets related to the rights to use leased assets, according to the provisions of IFRS 16 – Leasing contracts, has the following maturities:

	December 31, 2025	December 31, 2024
Within 1 year	3,629	7,328
Between 1 and 5 years	3,181	1,604
Over 5 years	-	-
Total	6,810	8,932

18. Provisions

On 31 December 2025 and 31 December 2024, the situation of provisions is as follows:

	December 31, 2025	December 31, 2024
Provisions for litigation	24,199	25,885
Provisions for mandate contracts	8,405	8,600
Provisions for guarantees granted to customers	3,341	-
Other provisions	2,454	1,468
Total	38,399	35,953

As of December 31, 2025 and December 31, 2024, the evolution of provisions is as follows:

	December 31, 2025	December 31, 2024
Balance on January 1	35,953	67,191
Provision recognition	7,778	10,806
Reversal of provisions	(5,331)	(42,045)
Total	38,399	35,953

The provisions for disputes outstanding on 31.12.2025, in the amount of **24,199**, are mainly represented by the provisions constituted for the following disputes:

- The file no. 36755/3/2018 – plaintiff Conaid Company SRL (17.216) – more details on this file are presented in Note 30 – Commitments and quotas.
- The file no. 15561/3/2022 – applicant SMART SA (4.467) – more details on this file are presented in Note 30 – Commitments and quotas.

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

- The file no. 3083/3/2020 - plaintiff NUCLEARELECTRICA SA (1,473)

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

After several deadlines in which the case was postponed (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 applicant the amount of 1,291 lei, as compensatory damages, to pay the update of this amount with the inflation rate from 27.09.2018 and until the date of actual payment, to the payment of the amount of 182 lei representing the legal penalty interest calculated from 27.09.2018 to 31.01.2020, as well as to the further payment of the legal penalty interest, calculated from 01.02.2020 and until the date of actual payment. It also ordered the defendant to pay the plaintiff the sum of 23 lei, as court costs, consisting of judicial stamp duty. It rejected the defendant's request for the payment of costs, as unfounded.

CNTEE Transelectrica SA filed an appeal. At the hearing of 25.11.2021, the Bucharest Court of Appeal admitted the appeal. Partially changes the appealed civil sentence, in the sense that: Rejects as unfounded the request for summons. Maintains the order of the first instance rejecting as unfounded the defendant's claim for the payment of costs. Orders the respondent-applicant to pay the appellant-defendant the sum of 21 as costs on appeal.

Nuclearelectrica filed an appeal, an appeal that was suspended until the resolution of the action for annulment of the order. Deadline 12.10.2022.

Pursuant to art. 413 para. (1) item 1 of the Civil Procedure Code, suspends the judgment of the appeal filed by the appellant-applicant Societatea Națională Nuclearelectrica S.A. against the civil decision no. 1927/A/25.11.2021, pronounced by the Court of Appeal of Bucharest – Civil Section VI, until the final resolution of the file no. 2659/2/2020, pending before the High Court of Cassation and Justice – Administrative and Tax Litigation Section. Definitive.

"Provisions for mandate contracts", in the amount of 8,405 as of December 31, 2025 (8,600 as of December 31, 2024), represent:

the remuneration representing the variable component, the non-compete compensation and that related to the gross monthly fixed allowances remaining until the end of the mandate for the revoked members of the Supervisory Board/Executive Board, respectively for the 2020-2024 mandates.

19. Corporate income tax

The corporate income tax for the years 2025 and 2024 is presented as follows:

	December 31, 2025	31 December 2024
Expenses with current income tax	25,985	44,377
Deferred tax expense/ (income)	(18,394)	(49,595)
Global Minimum Tax Expense Group	(5,613)	5,613
Total	1,979	395

The Company's current and deferred corporate income tax for the years 2025 and 2024 is determined at a statutory rate of 16%, being in force in 2025 and 2024.

The global minimum tax, applicable starting with 2024 according to Law no. 431/2023 *on ensuring a global minimum level of taxation of multinational enterprise groups and large national groups*, was initially recognized and registered in the financial year 2024 with the amount of 5,613, tax for which the obligation to declare and pay is until 30.06.2026. The global minimum tax was determined on the basis of the legislation applicable at the time of the calculations, taking into account additional guidance provided by the Organisation for Economic Co-operation and Development (OECD), as a source of interpretation, in order to ensure the consistent application of the legislation in force.

Subsequently, in 2025, based on the additional clarifications brought to Law 431/2023, the national supplementary tax according to the ODMTT rules falls under the provisions of Art. 53, so that large national or multinational groups in the initial phase of international activity benefit from a reduction to zero in the tax in the first 5 years from the moment they enter the scope of the law.

Thus, following the reanalysis of the situation, in the context of the additional clarifications brought to these legal provisions and taking into account the correspondence received from ANAF, it was found that the global minimum tax applicable to the company is reduced to zero. Therefore, the amount recorded in

2024 with the global minimum tax was reversed in 2025, ensuring compliance with the applicable legal framework, accounting compliance and the faithful presentation of the company's financial position and profit and loss account, at the date of preparation of the financial statements.

Based on the amendments to IAS 12 – "Corporate Tax", the Company did not recognize deferred tax in relation to the minimum effective tax related to the group.

Reconciliation of the effective corporate income tax rate:

	December 31, 2025	December 31, 2024
Profit before corporate income tax		
Corporate income tax at the statutory rate at a rate of 16%	61,328	102,441
	-	
Effect of non-deductible expenses	20,731	29,396
The effect of non-taxable income	(17,125)	(40,767)
Taxable revaluation reserve	30,532	45,010
Reinvested profit	(37,662)	(6,169)
Legal reserve	(22)	(53)
Temporary differences	(18,394)	(49,595)
Global Minimum Tax – TEL Group	(5,613)	5,613
Other effects	(31,797)	(85,480)
Net income tax expense	1,979	395

CNTEE TRANSELECTRICA SA - IFRS EU
Explanatory Notes to the Consolidated Financial Statements as at December 31, 2025
(All amounts are expressed in thousand LEI, unless otherwise indicated)

DEFERRED CORPORATE INCOME TAX

The movement table regarding the debt with taxes deferred in 2025 and 2024 is presented as follows:

Elements	Balance as of December 31, 2023	Recognized in profit and loss	Recognized directly in OCI	Balance as of December 31, 2024	Recognized in profit and loss	Recognized directly in OCI	Balance as of December 31, 2025
Tangible assets - lifespans	42,144	864	-	43,008	22,486	-	65,494
Property, plant and equipment – revaluation reserves	290,843	(47,061)	6,014	249,797	(30,820)	787	219,765
Tangible assets financed from subsidies	(6,237)	(1,310)	-	(7,547)	(813)	-	(8,360)
Obligations regarding employee benefits	(15,716)	(2,869)	-	(18,585)	2,701	-	(15,884)
Estimated interconnection	(5,760)	4,560	-	(1,200)	400	-	(800)
Provisions for litigation	(4,254)	(543)	-	(4,797)	(693)	-	(5,489)
Inventory adjustments	(2,217)	244	-	(1,973)	(532)	-	(2,505)
Other elements	(43,249)	(4,418)	-	(47,666)	14,478	-	(33,188)
Production supplier estimates	(2,448)	937	-	(1,511)	924	-	(587)
Receivables adjustments	-	-	-	-	(25,755)	-	(25,755)
Assets in progress	-	-	-	-	(475)	-	(475)
Adjustments to shares held	-	-	-	-	(295)	-	(295)
Tax (asset)/liability	253,105	(49,595)	6,014	209,525	(18,394)	787	191,919

	Active		Debt		Net	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Tangible assets - lifespans	(4,392)	(50,101)	69,886	93,109	65,494	43,007
Property, plant and equipment – revaluation reserves	(30,820)	(47,061)	250,584	296,858	219,765	249,797
Tangible assets financed from subsidies	(1,183)	(9,179)	(7,177)	1,632	(8,360)	(7,547)
Obligations regarding employee benefits	(15,884)	(18,585)	-	-	(15,884)	(18,585)
Estimated interconnection	(800)	(1,200)	-	-	(800)	(1,200)
Provisions for litigation	(5,489)	(4,797)	-	-	(5,489)	(4,797)
Inventory adjustments	(2,505)	(1,973)	-	-	(2,505)	(1,973)
Other elements	(33,188)	(47,666)	-	-	(33,188)	(47,666)
Production supplier estimates	(587)	(1,511)	-	-	(587)	(1,511)
Receivables adjustments	(25,755)	-	-	-	(25,755)	-
Assets in progress	(475)	-	-	-	(475)	-
Adjustments to shares held	(295)	-	-	-	(295)	-
Net tax (asset)/liability	(121,374)	(182,074)	313,293	391,598	191,919	209,525

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

20. Earnings per share

As of December 31, 2025 and December 31, 2024, the earnings per share are:

	December 31, 2025	December 31, 2024
Result of the exercise from continuous operations	440,158	556,973
Number of ordinary shares at the beginning and end of the period	73,303,142	73,303,142
Basic and diluted earnings per share (lei/share)	6.00	7.60

21. Other taxes and obligations for social security

On 31 December 2025 and 31 December 2024, other taxes and obligations for social security include:

	December 31, 2025	December 31, 2024
Contribution to social security funds	15,967	18,859
VAT payable	2,485	1,706
Payroll tax	2,882	3,681
Other taxes payable	1,252	1,291
Total	22,585	25,537

As of December 31, 2025, the Company has payment obligations for contributions to social security funds, payroll tax and other taxes, obligations that were paid in January 2026 (minus the amount of RON 17,326 representing the work insurance contribution related to unused leave).

22. Operating income

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

As regards the moment of revenue recognition, the services related to the energy market provided by the Company are transferred to the customer in time, and the payment terms are in accordance with the contractual provisions, there is no significant financial component, taking into account that the due date is less than one year. Also, contracts with customers according to IFRS 15 do not contain variable items.

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

	Tariff for the transmission service for the introduction of electricity into the electricity transmission network (TG)	Tariff for the transmission service for the extraction of electricity from the networks (TL)	Average Freight Rate	Tariff for System Service
Order no. 60/26.08.2025 for the period 01 September – 31 December 2025	-	-	-	12,79
Order no. 21/27.05.2025 for the period 01 June – 31 August 2025	-	-	-	7,04
Order no. 99/20.12.2024 for the period 01 January – 31 December 2025	3,29	33,03	-	-
Order no. 57/28.08.2024 for the period 01 September 2024 – 31 May 2025	-	-	-	11,51
Order no. 15/29.05.2024 for the period 01 June – 31 August 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 – 31 December 2024	-	-	31,67	-

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

Starting with January 1, 2025, ANRE approves the tariff for the transmission service only on the two components: the tariff for the introduction of electricity into the transmission network (TG) and the tariff for the extraction of electricity from the networks (TL), according to ANRE Order no. 99/20.12.2024.

Modification of the tariff value for the system service from 01 September 2025 by ANRE Order no. 60/26.08.2025 was determined by the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff that entered into force on June 1, 2025 (ANRE Order no. 21/27.05.2025), in accordance with the provisions of the regulatory framework issued by ANRE.

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

	December 31, 2025	December 31, 2024
Amount of electricity delivered to consumers (MWh)	51,730,518	51,824,802

The operating revenues achieved in 2025 and 2024 are presented as follows:

	December 31, 2025	December 31, 2024
Transmission revenues	1,854,503	1,619,446
Revenues from the allocation of interconnection capacities	337,165	282,080
Revenues from reactive energy	1,868	1,660
Inter TSO Compensation (ITC) revenues	23,884	25,790
Revenues from transactions with own technological consumption	45,834	95,481
Total revenues from electricity transmission	2,263,255	2,024,457
Revenues from system services	564,253	571,078
Emergency energy assistance to neighboring	9,533	62,199
Total revenues from system services	573,786	633,277
Revenues on the balancing market	2,676,211	4,965,725
Income from other services and other operating income	101,248	178,498
Other revenues	101,248	178,498
Total revenue	5,614,500	7,801,956

We present the situation of customers with over 10% of the Group's total revenues recorded in 2025 and 2024, respectively:

		December 31, 2025		December 31, 2024
CIGA ENERGY SA	1,010,478	18%	1,580,194	20%
ELECTRICA FURNIZARE SA	641,396	11%	1,129,433	16%
HIDROELECTRICA SA	634,306	11%	956,674	14%
CINTA ENERGY SA	471,727	8%	1,246,053	12%

Revenue from the transport service

Revenues from the transmission service increased in 2025 compared to 2024 by 235,056, determined by the increase in the tariff for the transmission service approved by ANRE (cf. the table on tariffs approved by ANRE for the analyzed period, presented above), given the decrease in the amount of electricity delivered to consumers by 0.18%, respectively by 94,284 MWh.

Revenues from the allocation of interconnection capacity

Revenues from the allocation of interconnection capacity increased in 2025 compared to 2024 by 55,085, corresponding to the level of use of interconnection capacity availabilities by traders on the electricity market.

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

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

On June 8, 2022, the Core FB MC (Core Flow-Based Market Coupling) project was commissioned, thus initiating the day-ahead market coupling based on flows in the Core capacity calculation region. The flow-based market coupling mechanism optimises the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

Starting with October 27, 2021, the Romania-Bulgaria border was integrated into the single day-ahead coupling (SDAC), with the cross-border capacity between Romania and Bulgaria being allocated implicitly.

Starting with November 2019, the 2nd wave of the Single Intraday Coupling (SIDC) solution took place. The Single Intraday Market Coupling Mechanism ensures the continuous harmonisation of the bids of market participants in a bidding zone with bids to bid within its own bidding zone and from any other bidding zone where cross-border capacity is available. Thus, explicit intraday auctions are only on the borders with Serbia and Moldova, and on the borders with Bulgaria and Hungary they are implicit (within the SIDC).

On March 18, 2025, the IDA (Intraday Auctions) project for Romania's bidding borders (Romania-Bulgaria and Romania-Hungary) was launched. In accordance with Article 55 of Commission Regulation (EU) 2015/1222 of 24 July 2015 laying down guidelines on capacity allocation and congestion management, intraday capacity pricing is required. Thus, based on ACER Decision no. 01/2019 on the Methodology for pricing intraday cross-zonal capacity, a tender mechanism was introduced to meet this objective. This is the so-called intraday auction – 'IDA' which stands for the default intraday trading auction for the simultaneous matching of orders from different bidding zones and the allocation of available intraday straddling capacity at the borders of the bidding zone by applying a market coupling mechanism. In August 2025, the second NEMOE in Romania – the Romanian Commodity Exchange – was successfully integrated.

The use of the net revenues from the allocation of the interconnection capacity shall be made in accordance with the provisions of ANRE Order no. 68/2024 and Regulation (EU) 2019/943 of 5 June 2019 on the internal electricity market, as a source of financing investments for the modernization and development of interconnection capacity with neighboring systems.

Starting with 2025, by ANRE Decision no. 2624/10.12.2024 *for approving the way to cover the expenses forecast for 2025 from the revenues obtained from the allocation of cross-border interconnection capacity*, it was approved to carry out RET maintenance expenses for certain major maintenance and minor maintenance projects, from the revenues obtained from the allocation of cross-border interconnection capacity.

The extension of market coupling has the effect of standardising energy prices in Europe, which is also one of the main objectives of Regulation (EU) 2015/1222 'laying down guidelines on capacity allocation and congestion management'.

Revenue from Inter TSO Compensation (ITC)

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

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

As of July 1, 2024, Ukraine joined the BTI mechanism and was no longer considered a perimeter country. Therefore, the exchanges taken into account were only those with the Republic of Moldova.

Thus, in 2025, the revenues recorded following the application of the ITC mechanism registered a decrease of 1,906 compared to 2024, with the following mentions:

- ✓ although the energy exchanges with the perimeter countries taken into account were only those with the Republic of Moldova, they increased by about 2.4 times (from 1,040,652 MWh in 2024 to 2,512,948 MWh in 2025);
- ✓ the value of the tariff for exchanges with perimeter countries was 2,5 EUR/MWh until 14 May 2025, respectively 1,5 EUR/MWh from 15 May 2025, compared to 3 EUR/MWh in 2024;
- ✓ exceptionally, in 2024, revenues were also recorded from the monthly settlements of March and May

Revenue from CPT transactions

The revenues from energy trading for CPT are obtained from the sale of surplus energy at a positive price and from the purchase of deficit energy at a negative price, resulting from the difference between the long- and medium-term forecast and the short-term forecast (on each settlement interval) on the Intraday Market administered by OPCOM and, respectively, from the difference between the forecasted CPT and the actual CPT achieved (on each settlement interval) on the Balancing Market.

These revenues were lower in 2025 compared to 2024 with the amount of 49,646.

The revenues obtained from transactions on the Intraday Market were higher than those achieved in the previous year, as a result of the increase in energy sold on the intraday market following the forecast corrections as close as possible to the moment of delivery, as well as the increased prices on this market compared to 2024.

The revenues obtained from transactions on the Balancing Market were significantly lower, given that the CPT recorded in 2025 was lower than in the previous year. Given the increase in the share of solar and wind energy production, there is an increase in energy supply in peak ranges and in the share of very low and even negative price ranges for prices in short-term markets.

System Services Revenue

Revenues from system services decreased in 2025 compared to 2024 by 6,824, determined both by the decrease in the tariff approved by ANRE for these services (cf. the table on tariffs approved by ANRE for the analyzed period, presented above), and by the decrease in the amount of electricity delivered to consumers by 0.18%, respectively by 94,284 MWh.

In accordance with the provisions of the regulatory framework issued by ANRE, the approved tariff for system services was modified during 2025 due to the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff that entered into force on September 1, 2024.

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

Income from emergency aid

At the request of the neighboring TSOs, during 2025, emergency aid in the total amount of 9,533 was granted to Ukraine (October, December), the Republic of Moldova (October, November, December) and Serbia (March), to provide the energy necessary to cover domestic consumption in these countries, against the background of armed conflicts on the territory of Ukraine, respectively accidental stops of groups from neighboring countries, etc. These revenues were lower in 2025 compared to 2024 with the amount of 52,666.

Income on the balancing market

The revenues achieved on the balancing market registered a significant decrease in 2025 compared to 2024, with the amount of 2,285,514, mainly determined by the following aspects:

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

- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- the evolution of hydraulics;
- the evolution of electricity production and consumption;
- the evolution of the production of the plants in the trial period;
- accelerated increase in installed power at prosumers;
- improving the control/monitoring at the level of suppliers for the production of prosumers they have in their portfolio and increasing their concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position.tag.

23. Expenses for system operation and balancing market

The expenses for the operation of the system and in the balancing market made in 2025 and 2024 are presented as follows:

	December 31, 2025	December 31, 2024
Expenses on own technological consumption	541,398	609,330
Congestion expenses	-	107
Expenses for the electricity consumption in RET substations	38,508	45,850
RED transit CPT expenses (ANRE decision)	17,443	12,840
ITC expenses (Inter TSO Compensation)	43,474	47,486
Total system operating expenses	640,831	715,613
Expenses regarding system services	705,985	523,611
Balancing market expenses	2,676,254	4,965,535
Total	4,023,069	6,204,759

Expenditure on own technological consumption

These represent expenses with the purchase of electricity from the free electricity market, namely the Centralized Market of Bilateral Contracts (PCCB), the Day-Ahead Market (PZU), the Balancing Market (PE) and the Intraday Market (IP) for covering the own technological consumption (CPT) in the electricity transmission network (RET).

Expenditures on own technological consumption were lower by 67,925 in 2025 compared to 2024, taking into account a number of aspects, as follows:

- ✓ due to its characteristics, the Own Technological Consumption (CPT) in the Electricity Transmission Network (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 network and on the interconnection lines with neighboring electricity systems, its value being very little to no controllable in the conditions of a regional energy market interconnected and coupled;
- ✓ as a result of weather conditions and flows on interconnection lines, the CPT value recorded in 2025 was lower than that recorded in the previous year;
- ✓ the elimination of the centralized electricity purchase mechanism (MACEE) with regulated price from April 1, 2024, as well as the elimination of the electricity and gas price cap schemes starting with July 1, 2025 led to price increases on the markets in the short term;
- ✓ The increase in prices on the European energy market, the reduction of domestic capacities based on conventional fuels and the dependence on volatile production from renewables increase the dependence on imports during periods of high demand and thus the price on the spot market. Thus, the average price of energy purchased from the PZU in 2025 was higher than the price of the previous year;
- ✓ The price of the PZU depends very much on the weather conditions (drought, precipitation, extreme phenomena) and on the prices on the European market. The Day-Ahead Market is an unpredictable market, with a high degree of volatility, prices can increase by 30-40% within a week;

- ✓ Starting with July 1, 2024, a series of amendments to the Regulation on terms and conditions for parties responsible for balancing entered into force, in accordance with the requirements of the European codes, which led to very high prices on the Balancing Market. These prices present a high degree of volatility and uncertainty, which can vary greatly, but are still below the maximum values of 2024. The own technological consumption recorded in the analyzed period was lower than in the previous year, leading to lower costs resulting from covering energy imbalances in this market compared to 2024.

Expenditure on electricity consumption at RET and RED stations

In order to carry out the activity of transmitting electricity in the power stations and operating the National Electricity System in safe conditions, CNTEE Transelectrica SA must purchase electricity to cover the consumption related to the internal services in the high voltage power stations under the Company's administration. These expenses decreased by 7,341 in 2025 compared to 2024.

CPT RED transit expenses (cf. ANRE decision)

In 2025, CPT expenses related to additional electricity transits from the networks of the concessionaire distribution operators at the voltage level of 110 kV (for the quota assigned to the TSO) were recorded in the amount of 17,443, higher by 4,603 compared to 2024. By ANRE decisions no. 2780/20.12.2024 and no. 2781/20.12.2024, the quantities forecasted by CPT and the corresponding costs related to the additional electricity transits from the 110 kV electricity networks for 2025 were approved, for the companies Rețele Electrice România S.A. and Distribuție Energie Oltenia S.A.

Inter TSO Compensation (ITC) expenses

The ITC expenses represent the monthly payment obligations/collection rights for each transmission system operator (TSO). These shall be established within the mechanism for compensation/settlement of the effects of the use of the electricity transmission network (RET) for electricity transits between TSO operators from the countries that have acceded to this mechanism within ENTSO-E. In 2025, these expenses were lower by 4,011 compared to 2024.

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

Expenditure on system services (balancing capacity)

Expenditure on system services registered a significant increase in 2025 compared to 2024 in the amount of 182,373.

The acquisition of the balancing capacity is carried out based on the needs established by the National Energy Dispatch which is responsible for ensuring the stability and safety of the operation of the SEN, in accordance with the provisions of ANRE Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization reserve providers and the Regulation on the terms and conditions for the parties responsible for balancing and for the modification and repeal of some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and completions.

In 2025, CNTEE Transelectrica SA contracted Reactive Energy from the Company for the Production of Electricity in Hydropower Plants "Hidroelectrica" SA., in accordance with:

- ANRE decision no. 2281/29.10.2024 regarding the granting of the derogation for the transmission and system operator to the market-based acquisition of the reactive electricity service for the regulation of the voltage in the network;
- CNTEE Transelectrica SA decision no. 218/12.12.2024 approving the maximum prices for the purchase of the reactive energy system service related to the voltage regulation in the electricity transmission network;
- achievements confirmed by the National Energy Dispatch.

We specify that in accordance with the trend observed on the balancing market, there has been a sharp increase in the purchase price of the Fast Tertiary Reserve - power reduction starting with May 2025. If in the first five months of the year the average prices oscillated between 15 and 23 lei/hMW, in June 2025 there was an explosion of values, with a general average of over 108 lei/hMW. This increase is not justified either by significant changes in supply or demand or by objective technical factors, but represents a sudden and unilateral change in the bidding behaviour of a small group of participants. The offers

submitted by certain producers in June 2025 reached values between 100 and 999 lei/hMW, with repeated prices of 500, 700 and even 999 lei/hMW. Producers such as CE Oltenia, Electrocentrale Craiova, BEPCO, INGKA Investments Renewable Energy Romania and True Energy Management had a completely divergent behavior compared to the other months, in which the same existing bidders on the market had prices around 15 lei/hMW.

Also, from September 2025 to December 2025, there was a steep reduction in the purchase price of the Rapid Tertiary Reserve - power reduction from 213.11 lei/hMW to 4.69 lei/hMW. This reduction is justified by the resizing of reserves at the DEN level and by the bidding behavior of market participants.

On the balancing capacities market, in line with the trend of evolution on the balancing market in 2025, there was a downward trend in the purchase price for RRFa in growth and power reduction and an upward trend in the purchase price for RRFm in terms of power reduction between May 2025 and August 2025, respectively a trend of steep reduction of the purchase price for RRFm to power reduction between September 2025 and December 2025:

- the average purchase price in the first half of 2025, for the increasing RRFa – RON 60.54/hMW, and in the second half of 2025 – RON 33.34/hMW;
- the average purchase price in the first half of 2025, for the RRFa at a discount – 62.76 lei/hMW, and in the second half of 2025 – 23.05 lei/hMW;
- the average purchase price in the first half of 2025, for RRFm increasing – 36.57 lei/hMW, and in the second half of 2025 – 37.54 lei/hMW;
- the average purchase price in the first half of 2025, for RRFm at a discount – 32.57 lei/hMW, and in the second half of 2025 – 137.11 lei/hMW.

Balancing market expenditure

The expenses on the balancing market made in 2025, in the amount of 2,676,254, were significantly lower, respectively by the amount of 2,289,282, compared to those achieved in 2024. These expenses result from the notifications/achievements 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 evolution of the electricity market and the way of contracting on the markets prior to the balancing market.

24. Amortization

	December 31, 2025	December 31, 2024
Expenses with the depreciation of the tangible and intangible fixed assets	301,970	288,595
Expenses with the depreciation of the assets related to the rights of use of the leased assets	9,557	8,719
Total	311,527	297,314

Expenses with the depreciation of tangible and intangible assets in the amount of **301,970** (288,595 as of December 31, 2024) represent the depreciation recorded in 2025, calculated at the fair value of assets as at December 31, 2024, correlated with the commissioning of investment works and the receipt of assets.

Depreciation expenses of intangible assets recognised in accordance with IFRS 16 amounted to 9,557 (8,719 as of December 31, 2024). The group partially operates in rented office spaces. According to IFRS 16 – Leasing Contracts, the right to use the spaces leased by the Company in the Platinum office building in 2-4 Olteni Street is recognized 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 expenses of tangible and intangible assets". At the same time, starting with 2025, the right of use related to vehicles entered through a leasing contract is recognized.

25. Personnel expenses

	December 31, 2025	December 31, 2024
Personnel expenses, of which:	541,951	489,463
Expenses with employees' salaries	457,326	432,040
Social expenditure	15,734	16,007

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

	December 31, 2025	December 31, 2024
<i>Expenses with vouchers granted to employees</i>	23,743	24,145
<i>Expenses related to the mandate contract and other committees, commissions</i>	6,680	6,214
<i>Expenditure on insurance and social protection</i>	40,784	32,826
<i>Provisions constituted/(reversals) for salary and similar expenses</i>	(2,270)	(21,761)
<i>Other expenses</i>	(46)	(8)

The total personnel expenses incurred in 2025 register an increase of 52,488 compared to 2024, mainly determined by:

- the increase of some items of expenses, such as: expenses with staff salaries, expenses related to mandate contracts, expenses related to insurance and social protection according to the applicable legal provisions;
- updating the provisions constituted for the revoked executive and non-executive directors, representing compensations based on the mandate contracts concluded in 2020 for the period 2020-2024 (according to the actuarial calculation);
- the resumption to income of a part of the provisions constituted for the revoked executive and non-executive directors, representing the variable component related to the packages of OAVTs allocated and not capitalized during the mandates executed in the period 2013-2017 and compensations provided for in the mandate contracts concluded in 2020 for the period 2020-2024, simultaneously with the payments made based on the enforceable court sentences, received by the Company;
- updating the provision for employee benefit obligations (as actuarially calculated).

ii) Number of employees

As of December 31, 2025 and December 31, 2024, the actual number of employees with an individual employment contract of indefinite duration is as follows:

Number of employees	December 31, 2025	December 31, 2024
Transelectrica SA	2.018	2.026
Smart SA	599	599
Teletrans SA	235	234

26. Other operating expenses

	December 31, 2025	December 31, 2024
Other expenses with services provided by third parties	160,092	142,963
Postal and telecommunication expenses	1,229	1,255
Expenses with royalties and rents	8,140	7,115
(Revenues)/ Expense net for impairment adjustments for current assets	-	(12,722)
Other expenses	26,005	34,692
Total	195,466	173,302

In 2025, these expenses registered an increase in amount compared to 2024, mainly determined by the variation of some expense items, such as:

- increasing expenditure on taxes, fees and similar payments, by introducing the construction tax in 2025, in accordance with the provisions of GEO no. 156/2024 on some fiscal-budgetary measures in the field of public expenditures for substantiating the consolidated budget for 2025, for amending and supplementing some normative acts, as well as for the extension of certain deadlines;
- increasing other expenditure elements, such as: expenditure on civil protection and security, expenditure on the implementation of pan-European codes, expenditure on Teletrans maintenance, expenditure on insurance premiums, expenditure on international contributions, etc.;

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

- the increase in royalty and rent expenses, of which in 2025 there were 7,513 royalty expenses, 933 higher compared to 2024;
- the recognition on the Company's operating costs of three exits from tangible assets in progress, as presented in Note no. 5 "Tangible assets";
- reduction of some elements of expenses, such as: expenses related to goods (recovery of waste resulting from carrying out maintenance/refurbishment/modernization works of stations), expenses related to administrative energy consumption, travel expenses, expenses with staff training, etc.;
- the reduction of the expenses related to the OAVTs paid on the basis of the enforceable court decisions issued by the court (the performance bonus related to the OAVT Certificates granted to the former executive and non-executive members and not redeemed, remuneration according to the mandate contracts concluded between 2013 and 2017) and of the expenses paid on the basis of the enforceable court decisions issued by the court granted to the revoked former executive and non-executive members, representing compensations provided for in the mandate contracts concluded in 2020, for the period 2020-2024.

Rental expenses represent amounts related to rents that do not meet the recognition criteria related to IFRS 16 (concession contract, land rental expenses, various spaces) and are recognized in the profit and loss account. Of the total rent expenses, the value of the royalty is 7,513.

A 10% increase in gross revenues from electricity transmission and transit operations would have represented an increase in royalty expenses of 751 for 2025 and 658 for 2024.

The concession contract is for 49 years, the royalty is paid quarterly and the royalty expense is recorded monthly. In 2024, there was a royalty expense in the amount of 6,581.

In 2025, the item (Revenue)/Net operating expenses regarding adjustments for the impairment of current assets in the amount of 10,252 is presented differently, respectively in Note 10 Net adjustments for impairment of receivables in the amount of 6,452 and in Note 9 (Gains) / Inventory impairment losses in the amount of 3,343.

27. Other gains or losses

	December 31, 2025	December 31, 2024
(Gains) / Losses on the sale of property, plant and equipment	2,812	-
(Gains) / Impairment losses on tangible assets	(7,227)	-
(Gains) / Losses on exchange rate differences operating activities	828	-
(Gains) / Losses on provisions for other operating expenses	(261)	-
Total	(3,848)	-

In 2025, a new explanatory note was prepared for the separate reflection of other operating gains or losses. For compliance and comparability with the current presentation, the amounts for 2024 were also reflected in the total amount of 3,294, as follows:

- (Gains) / Losses from the sale of tangible assets in the amount of 2,136
- (Gains) / Impairment losses on tangible assets in the amount of 9
- (Gains) / Losses on provisions for other operating expenses in the amount of 1,149.

In 2025, these expenses registered a decrease compared to 2024, mainly determined by the recording of operating expenses with losses on receivables (AUTONOMOUS AUTHORITY FOR NUCLEAR ACTIVITIES SA), by the resumption to revenues of the adjustments for the depreciation of fixed assets related to the downgraded investment, of the adjustment for the depreciation of the investment objective "LEA 400 kV Suceava - Balti, for the project portion on the territory of Romania", as well as for the registration of exchange rate differences related to the operational activity, etc.

28. Net financial result

	December 31, 2025	December 31, 2024
Interest revenues	11,898	7,217
Revenues from exchange rate differences	1,009	4,965
Other financial revenues	22,185	14,697
Total financial income	35,091	26,879
Interest expenses	(8,391)	(10,009)
Expenses from exchange rate differences	(2,470)	(6,797)
Other financial expenses	(12)	(399)
Total financial expenditure	(10,872)	(17,204)
Share of profit/(loss) of equity investments	(378)	-
Net financial result	23,841	9,675

In 2025, the Group considered the presentation of items presented in 2024 in the "Net financial result" category, by mapping the exchange rate differences related to the operating activity to the newly introduced category called "Other gains or losses" in the amount of 828, compared to 2024 when the exchange rate differences related to the operating activity were in the amount of (96).

As of December 31, 2025, the Company recorded a net financial result (profit) of **23,841**, higher by 14,167 compared to the previous year (9,675 as of December 31, 2024), mainly influenced by the increase in dividend income received from OPCOM SA in the total amount of 22,124, as well as by the increase in interest income received in the analyzed period.

As of December 31, 2025, in the total amount of 8,391 (interest expenses) (10,009 as of December 31, 2024), the amount of 527 represents the interest calculated for fixed assets related to the rights of use of leased assets, according to the provisions of IFRS 16 – Leasing Contracts (524 as of December 31, 2024).

The share of the profit/(loss) of the investments represents the part of the result related to the jointly controlled entity GECCO Power Company. On December 31, GECCO recorded a loss, the Company's share of this loss thus representing an expense of **378**.

The exchange rate of the national currency recorded on December 31, 2025 compared to that recorded on December 31, 2024, is presented as follows:

Currency	December 31, 2025	December 31, 2024
Lei / Euro	5,0985	4,9741

29. Fiscal legislative framework

The legislative-fiscal framework in Romania and its implementation in practice changes frequently and is subject to different interpretations by various control bodies. Corporate income tax returns are subject to revision and corrections by the tax authorities, generally for a period of five years after the date of their completion. Management considers that it has adequately recorded tax liabilities in the financial statements. However, there is still a risk that tax authorities will adopt different positions on the interpretation of these aspects. Their impact could not be determined on this date.

Control ANAF

Starting with December 22, 2025, the Company is subject to a tax inspection (ANAF – Regional Directorate of Public Finances Iași – Neamt County Administration of Public Finances) having as its object:

- verifying the legality and compliance of tax returns and/or transactions in connection with the establishment of tax bases and main tax liabilities regarding:
 - a) value added tax in the period 01.01.2019 – 31.12.2023;
 - b) corporate income tax in the period 01.01.2019 – 31.12.2023.
- verifying compliance with tax and accounting provisions;

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

- verification of other relevant aspects for taxation.

On the date of preparation of the present financial statements, the tax inspection is in progress and no tax inspection report and no tax decision has been issued.

The Company's management considers that the tax liabilities have been calculated and declared in accordance with the provisions of the tax legislation in force. Based on the information available at the date of preparation of the financial statements, no adjustments were identified that would lead to the recording of a provision for risks and expenses.

- *SMART – D.G.*

On 12.01.2026, the D.G. carried out a control to verify the aspects notified by the petition, in terms of the legislation and the reality of the economic and financial operations reported during the period 01.01.2021 – 31.12.2025.

In the event that, following the completion of the inspections, the tax authorities establish additional payment differences, they will be recognised in the financial statements of the year in which they will become certain and quantified.

30. Commitments and quotas

➤ Commitments

As of December 31, 2025, the Group had commitments amounting to RON 2,484,362 (RON 1,391,498 as of December 31, 2024) representing ongoing contracts for investment works related to the modernization and refurbishment of the transmission network.

➤ Land used by the Group

According to the Group's policy, the financial statements include only the value of the land for which certificates of ownership have been obtained at the date of the financial statements.

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

The Extraordinary General Meeting of Shareholders approved by Decision no. 7/28.05.2020 the increase in principle of the share capital of CNTEE Transelectrica SA with the contribution in kind represented by the value of a number of 17 plots of land for which the Company has obtained the certificates attesting the ownership right and the submission to the Trade Register Office attached to the Bucharest Tribunal and the proposal to appoint JPA Audit and Consultancy SRL as ANEVAR authorized appraiser for the evaluation under the law of the contribution in kind that makes object of the share capital increase.

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

Until 31.12.2025, there were different opinions on the application/interpretation of the relevant legislation, respectively of the privatization legislation and the capital market legislation, and CNTEE Transelectrica SA is objectively unable to increase the share capital by the value of the 17 plots of land for which the Company obtained the certificates of attestation of the right of ownership and for which the expert JPA Audit and Consultancy SRL established a fair value.

➤ Ongoing litigation

The management periodically analyzes the situation of ongoing disputes, and after consultation with its legal representatives, decides the need to create/cancel provisions for the amounts involved or to present them in the financial statements.

Taking into account the existing information, the Group's management considers that at the date of the conclusion of the present situations there are no significant ongoing disputes, except for the following:

- **AUTONOMOUS AUTHORITY FOR NUCLEAR ACTIVITIES (RAAN)**

File: 9089/101/2013

File subject: bankruptcy

Value at issue: 19,113

File status: After several postponements for the continuation of the bankruptcy procedure, respectively for

the collection of receivables, the capitalization of the assets, as well as the fulfillment of the other liquidation operations, the next trial term was set for **25.03.2026**.

For RAAN, the Company recorded an adjustment for the impairment of receivables in the amount of 8,517.

File: 28460/3/2017

Subject: By the writ of summons, the plaintiff R.A.A.N. requests that the undersigned be ordered to pay the amount of 12,346, representing the bonus value for the period November 2015-April 2016 and bonus adjustment in the amount of 11,024, as well as the amount of 1,322, representing late payment penalties related to the principal debt.

Value at issue: 12,346

File status: At the deadline of 13.11.2025, the appeal filed by the appellant Transelectrica S.A. against the decision no. 806 of May 20, 2024, issued by the Bucharest Court of Appeal – Civil Section VI, was admitted. At the deadline of 19.02.2026, the HCCJ rejects the appeal filed by the defendant Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A. against the decision no. 806A of May 20, 2024, pronounced by the Bucharest Court of Appeal – Civil Section VI, as unfounded. **Definitive**.

The amount of 12,346 was paid by the Company in May 2024.

File: 3694/3/2016

Subject: By the writ of summons, the plaintiff R.A.A.N. requests that the undersigned be ordered to pay the amount of RON 12,727,102, representing bonus value and regularization of the pre-overcompensation for which the 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 were issued, SRTF series no. 1500041 of 17.08.2015, SRTF series no. 1500045 of 23.09.2015, SRTF series no. 1521339 of 26.10.2015 and SRTF series no. 1521282 of 8.04.2015, as well as the amount of 2,917,620 lei, representing late payment penalties related to the principal debt, for which the invoices of the SRTF series no. 1500059 of 31.12.2015 and SRTF series no. 1500060 of 31.12.2015.

Value at issue: 15,699

File status: On 03.06.2024, the appeal was admitted, the entire appealed sentence was changed, in the sense that: the summons request was admitted. The defendant was ordered to pay the plaintiff the amount of 12,727, representing the bonus value and regularization of the pre-overcompensation for which SRTF series invoices were issued, as well as the amount of 2,918, representing late payment penalties related to the principal debt, for which SRTF series invoices were issued, with the right of appeal.

Transelectrica filed an appeal. On the deadline of 16.10.2025, the HCCJ rejects the appeal filed by the appellant-defendant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. against the civil decision no. 898 A of June 3, 2024, pronounced by the Court of Appeal of Bucharest – Civil Section VI, as unfounded. **Definitive**.

The amount of 15,699 was paid by the Company in June 2024.

• COURT OF ACCOUNTS OF ROMANIA

Between September 2023 and January 2025, the Court of Accounts of Romania, through Department IV, carried out a compliance audit mission at the level of CNTEE Transelectrica SA. The theme of the compliance audit was "the situation, evolution and management of the state's public and private assets, as well as the legality of income and expenditure for the period 2020-2022" at CNTEE Transelectrica SA.

Following the completion of the audit mission, Department IV of the Court of Accounts of Romania issued the Compliance Audit Report of CNTEE Transelectrica SA no. 6000/23.01.2025 and the Letter to management no. 60001/23.01.2025, approved by the Plenary Decision no. 47/23.01.2025, which established a number of 17 recommendations with an implementation deadline of April 30, 2025.

On 11.03.2025, the Company filed a preliminary complaint against the above-mentioned compliance audit report.

On 11.06.2025, Transelectrica received the response formulated by the CCR to the preliminary complaint, by which they rejected the preliminary complaint as inadmissible for the audit report, and unfounded in terms of the plenary decision.

Following the response received from the CCR, on 07.08.2025 the Company submitted to the Bucharest Court of Appeal a request for summons (file no. 5244/2/2025) requesting the following:

a) the annulment of the Plenum Decision no. 47/23.01.2025 regarding the approval of the Compliance Audit Report of CNTEE Transelectrica SA no. 6000/23.01.2025 and the Letter to management no. 60001/23.01.2025;

b) the partial annulment of the Compliance Audit Report of CNTEE Transelectrica SA no. 6000/23.01.2025 and the Letter to Management no. 60001/23.01.2025 on the recommendations provided for in points 5.1, 5.6, 5.12 partially, 5.13 partially, 5.14 partially, 5.15 and 5.16.

c) the suspension of the effects of the Plenum Decision no. 47/23.01.2025 until the final resolution of the present case;

d) court costs.

File: 5244/2/2025

Subject of the file: disputes of the Court of Accounts (Law no. 94/1992) decision no. 47/23.01.2025

File status:

On 08.09.2025, Transelectrica asked the court to order a trial term for the resolution of the request to suspend the effects of the Plenary Decision no. 47/23.01.2025 until the case is resolved on the merits. The court set the trial deadline of 14.10.2025, for the resolution of the request for suspension. CAB solution: Rejects the request for suspension, as unfounded.

At the trial deadline of 03.02.2026, a deadline of 06.02.2026 was granted in order to resolve the declaration of abstention formulated by Judge Silvia Pavelescu and at the deadline of 06.02.2026, the court rejects as unfounded the request for abstention from judging the case no. 5244/2/2025, formulated by Judge Pavelescu Silvia. Trial term: **31.03.2026**

• **OPCOM**

File: 22567/3/2019

Subject: By the request for summons, the plaintiff CNTEE Transelectrica SA requested the court to order:

- order the defendant OPCOM SA to pay the amount of 4,517, related to the invoice series TEL 16 AAA no. 19533/29.07.2016, representing the equivalent value of the VAT related to the contribution made by CNTEE Transelectrica SA to the share capital of OPCOM SA, issued on the basis of the Loan Agreement no. 7181RO/2003, commitment for financing the investment project "Electricity Market Project";

- order the defendant OPCOM SA to pay the amount of 1,294 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 series TEL 16 AAA no. 19533/29.07.2016.

- order the defendant OPCOM SA to pay the costs.

Value at issue: 5,811

File status:

TMB's solution Admits the exception of prescription. Dismisses the action as time-barred. Transelectrica has filed an appeal.

CAB solution according to decision no. 1532/12.10.2022: Rejects the appeal as unfounded. Orders the appellant to pay the respondent the amount of 11 as court costs. Transelectrica filed an appeal against the Civil Decision no. 1532/12.10.2022 issued by the CAB. On 19.09.2023 at the HCCJ, the appeal was admitted, decision 1532/12.10.2022 was quashed and the case was sent to the same court for a new trial.

Definitive. Decision 1640/19.09.2023.

New file 22567/3/2019* the case was sent for retrial. On the deadline of 18.02.2025, **the appeal** was rejected as unfounded. The appellant-applicant was ordered to pay the respondent-defendant the amount of 29 as court costs. With the right to appeal within 30 days from the communication. Decision 235/18.02.2025. Transelectrica **filed an appeal**.

At the deadline of 24.02.2026, the HCCJ rejects as unfounded the main appeal filed by the appellant-plaintiff Compania Națională de Transport al Energiei Electrice "TRANSELECTRICA" S.A. against the civil decision no. 235 of February 18, 2025, issued by the Bucharest Court of Appeal – Civil Section V. Rejects as unfounded the cross-appeal filed by the appellant-defendant Electricity and Natural Gas Market Operator - OPCOM S.A. against the civil decision no. 235 of 18 February 2025, pronounced by the Court of Appeal of Bucharest – Civil Section V. Dismisses the parties' requests for costs in the appeal. **Definitive.**

For the amounts presented above, the Company records adjustments for the impairment of receivables (principal debit and related penalties).

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

File: 24242/3/2021

Subject: OPCOM requests a declaration of nullity of the act – contribution in kind

Amount in dispute: Decrease of share capital contribution from 22,587 to the amount of 2,316. Reduction of the number of shares held by Transelectrica in OPCOM.

File status: On 07.11.2023 TMB's solution in brief: the exception of inadmissibility was qualified as a substantive defense. The request for summons was rejected as unfounded.

OPCOM filed an appeal. At the trial deadline of 13.03.2025, the appeal was rejected as unfounded and the applicant was ordered to pay the state the amount of 180 representing the judicial stamp fee.

OPCOM filed an appeal. At the deadline of 17.02.2026, the HCCJ rejects as unfounded the appeal filed by the plaintiff SOCIETATEA OPERATORUL PIEȚEI DE ENERGIE ET DE GAZ NATURALE - OPCOM S.A. against the civil decision no. 423 of March 13, 2025 issued by the Bucharest Court of Appeal - Civil Section V. **Definitive.**

File: 44380/3/2024

Object of the file: claims and conclusion of the addendum, cval. services for calculating receivables and payment obligations of transactions carried out by PRE and PPE plus statutory interest

Disputed value: 2,914 representing the value of the services provided by OPCOM in favor of Transelectrica under Contract no. C 707/2022, for the calculation of the entitlements to be collected and the payment obligations of transactions carried out by the participants in the balancing market and of the imbalances of the parties responsible for balancing in the period 01.01.2023 - 29.02.2023.

File status: At the deadline of 13.01.2026, in order to administer the proposed evidence, postpones the trial of the case to **10.03.2026**. At this deadline, the court postpones the trial of the case to **05.05.2026**.

As of December 31, 2025, the Company has no provision on record for this litigation.

• **CONAID COMPANY SRL**

File: 36755/3/2018

Subject: claims and finding of unjustified refusal to conclude the addendum to the contract connection RET C154/2012

Disputed value: 17,216 for the damage suffered and 100,000 euros for estimated unrealized profit

File status:

TMB's solution: Admits the exception of the prescription of the substantive right to action, invoked by the defence. Dismisses the claim as time-barred. Conaid has appealed.

CAB solution: Admit the appeal. Annuls the appealed civil judgment and sends the case to the first instance for the resolution of the merits.

Transelectrica filed an appeal. At the trial deadline of 26.02.2026, the HCCJ rejects as unfounded the appeal filed by the appellant-defendant CNTEE "Transelectrica" S.A. against the civil decision no. 529A/2025 of 27 March 2025, pronounced by the Court of Appeal of Bucharest – Civil Section VI, in contradiction with the respondent-applicant CONAID COMPANY S.R.L., through the judicial administrator C.I.I. Matache Alice Mirela. **Definitive.**

For the amount of 17,216 lei, CNTEE Transelectrica constituted a provision in 2019.

• **REȘIȚA MUNICIPALITY**

File: 2494/115/2018* / 2494/115/2018**

Subject of the file: claims for the amount representing land rents for the years 2015, 2016, 2018, 2019, 2020, 2021, 2022 and 2023, to which is added the legal penalty interest from the maturity until the actual payment

Value at issue: 17,038

File status: At the deadline of 27.02.2025, the court rejects the exception of the prescription of the right to action regarding the claims consisting of the rent for the year 2015 and the exception of the lateness of the formulation of the amendments to the action, exceptions invoked by the defendant Transelectrica S.A. It qualifies the exception of res judicata as a substantive defense regarding the positive effect of res judicata. Rejects the request for summons filed by the defendant Municipality of Resita in contradiction with the defendant Transelectrica S.A.

The Municipality of Resita declared an appeal. Deadline set for **21.04.2026**.

The Company is involved in adversarial litigation with SMART as follows:

File: 15561/3/2022

Subject: SMART SA requested that Transelectrica be ordered to pay the amount of 4,467 representing the

amount of tax liabilities related to the increased revenues as a result of the increase in the tax base resulting from the adjustment of revenues for the years 2014, 2015 and 2016 + court costs.

Value at issue: 4,467

File status: At the deadline of 20.03.2025, the court admits the request for summons. Orders the defendant to pay the plaintiff the amount of 4,467 as well as the payment of the legal penalty interest related to the amount of 3,194 from 21.12.2021 until the date of actual payment. Orders the defendant to pay the plaintiff court costs consisting of the amount of 51 as stamp duty and the amount of 3,000 lei as expert's fees. Transelectrica **has filed an appeal**.

At the deadline of 20.02.2026, the court postpones the trial of the case with the agreement of the parties and grants a trial deadline of **08.05.2026**, so that the respondent can take note of the meeting notes submitted by the appellant.

For the amount of 4,467, CNTEE Transelectrica constituted a provision in 2022.

➤ **OTHER**

The company is involved in significant litigation, especially for debt recovery (e.g.: Total Electric Oltenia SA, Regia Autonomă de Activită Nucleare, Energy Holding SRL, UGM Energy Trading SRL, CET Bacău, CET Govora, Nuclearelectrica, CET Braşov, Elsaco Energy SRL, Arelco Power SRL Menarom PEC SA Galaţi, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL, PET Communication, ISPE, Grand Voltage SRL, EXPLOCOM GK SRL, Next Energy Partners, SC ENOL GRUP SA, Aderro GP Energy and others).

The Company has recorded impairment adjustments for customers and other disputed claims and for customers in bankruptcy.

At the same time, the Company is also involved in disputes with former members of the Executive Board and the Supervisory Board, regarding the mandate contracts concluded between the Company and them. For these disputes, the Company has made provisions.

➤ **Warranties**

On 31 December 2025 and 31 December 2024, the guarantees are presented as follows:

	December 31, 2025	December 31, 2024
Guarantees granted, of which:	316,014	537,109
- letters of guarantee issued – production	124,602	157,286
- letters of guarantee issued – investments	16,412	29,823
- other guarantees granted	175,000	350,000
Guarantees received, of which:	1,130,453	821,959
- letters of guarantee received – production	302,538	327,366
- letters of guarantee received – investments	780,058	446,737
- other guarantees received	47,857	47,856

Provisions for the expected cost of the guarantee obligations relating to the sale of goods shall be recognised at the date of sale of the relevant products, at the best estimate of the directors of the expenses necessary to settle the group's obligation.

Sales guarantees cannot be purchased separately and serve as assurance that the products sold comply with the agreed specifications. Accordingly, the group accounts for collateral in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Guarantees granted

The company is obliged according to the Operating License no. 161/2000 for the provision of the electricity transmission service, as well as the system balancing services, granted by the Decision of the President of ANRE no. 865/22.12.2000, as subsequently amended and supplemented, to establish and maintain a financial guarantee of 1% of the turnover associated with the activities authorized by the license, related to the last year ended, to ensure the continuous performance of the activities subject to the license, taking into account the major risks that may affect these activities and to cover any damages requested according to the contractual provisions concluded. In order to comply with this obligation, the

Company concluded on 01.02.2022 a loan agreement with Banca Comercială Romanian with the object of granting a ceiling for the issuance of bank guarantee letters in the amount of 23,268 valid between 01.01.2022 and 31.12.2022.

On 24.12.2024, the addendum no. 3 to the credit agreement concluded with the Romanian Commercial Bank having as object the granting of a ceiling for the issuance of bank guarantee letters by which the value of the ceiling was reduced to the amount of 46,314 and the validity was extended until 31.12.2025.

On 24.12.2025, the addendum no. 4 to the credit agreement concluded with Banca Comercială Romanian having as object the granting of a ceiling for the issuance of bank guarantee letters by which the value of the ceiling was increased to the amount of 76,391 and the validity was extended until 31.12.2026.

The other guarantees granted are mainly represented by letters of bank guarantee issued for the purchase of electricity to cover the Own Technological Consumption (CPT) on the centralized markets administered by OPCOM – the Centralized Market of Bilateral Electricity Contracts, the method of trading by extended auction and the use of products that ensure trading flexibility (PCCB-LE-flex), the method of trading by negotiation continuous (PCCB-NC), the Centralized Market with continuous double negotiation of bilateral electricity contracts (PC-OTC), the Day-Ahead Market (PZU) and the Intra-day Market (IP), as well as commitments/guarantees granted related to ongoing loan agreements for investment activity.

Other guarantees granted are the contracts assigned to guarantee the credit lines contracted for the support scheme for cogeneration and working capital.

Guarantees received

The guarantees received are mainly represented by the letters of bank guarantee of good payment related to the contracts concluded on the electricity market, balancing, high efficiency cogeneration, letters of guarantee of good performance, good performance related to investment contracts and other guarantees received under the contracts financed from the connection tariff.

➤ **Revaluation reserves as at 31 December 2025**

As of December 31, 2025, the revaluation reserves (net of tax) are 1,496,393 (as of December 31, 2024 in the amount of 1,596,896).

Starting with May 1, 2009, the reserves from the revaluation of fixed assets, including land, carried out after January 1, 2004, which are deducted from the calculation of the taxable profit by means of tax depreciation or expenses related to assets sold and/or scrapped, are taxed at the same time as the deduction of tax depreciation, respectively at the time of the decommissioning of these fixed assets, as the case may be.

The realized reserves are taxable in the future, in the event of a change in the destination of the reserves in any form, in the event of liquidation, merger of the company including its use to cover accounting losses, except for the transfer, after May 1, 2009, of the reserves mentioned in the previous paragraph.

➤ **Tariff for the electricity transmission service and the system service**

The model of regulation of transport tariffs currently applied in Romania is revenue cap.

The model involves the regulation of the total revenue allowed to the transmission system operator and includes as objectives to ensure the necessary premises for the efficient operation of the transmission service and to maintain the financial viability of the operator for the adequate remuneration of the financiers and the maintenance of access to financing.

The model contains mechanisms to boost operational efficiency and a financial return framework based on the control of the investments made by the operator (regulated asset base) and a regulated rate of return established on the basis of the estimate of the operator's average cost of financing.

The pricing of electricity transmission services is carried out during regulatory periods. Regulatory periods are multiannual tariff regulatory cycles (currently 5 years), during which a tariff calculation methodology is applied¹ and for which a complete set of parameters is pre-established over the horizon of those periods for the actual calculation of tariffs. The establishment of pricing parameters over multi-year horizons provides a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

¹ The methodology currently applied is the one approved by ANRE Order no. 68/2024 with subsequent amendments and completions.

Within a regulatory period, tariffs are reviewed annually and remain valid for periods of 12 months from the date of approval (tariff years).

Differences between the forecast and actual values of the tariff calculation parameters for a given tariff year are compensated by means of ex-post corrections implemented in the tariff in subsequent tariff years or at the beginning of the next regulatory period.

In the case of certain specific components of the regulated cost base that are subject to caps, exceeding the forecast level of those costs is not compensated. Also, in the case of certain cost components, the savings achieved are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- costs of the current operation of the service: controllable and uncontrollable operating and maintenance costs, own technological consumption, internal network congestion, costs and revenues related to the mechanism for financial compensation of electricity transits under ENTSO-E;
- the costs of developing the service: the planned investments in the transmission network, the regulated assets used by Transelectrica in carrying out the activity, the depreciation program based on regulated operating times, the return on invested capital established on the basis of a regulated rate of return applied to the regulated asset base;
- the amount of electricity that can be charged, the price of reactive energy.

The transmission tariffs are invoiced based on the quantities of active electricity introduced/extracted from the public electricity networks on the territory of Romania, except for imports/exports.

Transelectrica charges a transmission tariff for injection into public electricity networks (tariff component TG) and for extraction from public electricity networks (tariff component TL).

TG does not apply to electricity produced by power plants with a small installed capacity of up to 5 MW. The TG also does not apply to imported electricity. The TL does not apply to exported electricity.

l) Transport tariffs applied in 2025

By the Order of the President of ANRE no. 99/2024, the tariffs for the introduction of electricity into the transmission network (T_G) and the extraction of electricity from the network (T_L), practiced by CNTEE Transelectrica S.A., valid from January 1, 2025, were approved, according to the table below:

Electricity transmission*	U.M.	Tariff applied in 2024	Tariff in force from January 1, 2025 according to ANRE Order no. 99/20.12.2024	Difference (%)
(1)	(2)	(3)	(4)	(5)=(4)/(3)
T_G (Network Injection Component)	Lei/MWh	3.82	3.29	-13.87%
T_L (network extraction component)	Lei/MWh	27.72	33.03	19.16%

*Note: Starting with January 1, 2025, the notion of "average transport tariff" has been eliminated. Until January 1, 2025, ANRE approved an average value of the transmission tariff and the values of the tariffs for injection into the T_G network (tariff paid by producers) and extraction tariffs from the T_L network (tariff paid by consumers). In the course of the transport contracts, only the T_G and T_L tariffs are applied. The average transport tariff had only an indicative value and represented an indicator of the evolution over time of the transport tariff as a whole, regardless of the way in which the costs were allocated to the two tariffs TG and TL.

The tariff components that make up the tariffs for the introduction of electricity into the transmission network (TG) and the extraction of electricity from the network (T_L), practiced by CNTEE Transelectrica S.A., valid from January 1, 2025, are presented in the tables below: *Tariff components –*

Tariff for the introduction of electricity into the transmission network (TG)

	Tariff from January 1, 2025 (lei/ MWh), according to ANRE Order no. 99/20.12.2024, of which:	The tariff component corresponding to the CPT regulated revenue that is recovered from producers (C_CPT_P) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue recovered from producers (C_CPT_S_P) (lei/MWh)
Tariff for the introduction of electricity into the transmission network (T_G)	3.29	2.84	0.45

Tariff components - Tariff for the extraction of electricity from the transmission network (TL)

	Tariff from January 1, 2025 (lei/ MWh), according to ANRE Order no. 99/20.12.2024, of which:	Tariff component corresponding to non-CPT regulated income (CPT CT_non) (lei/MWh)	Tariff component corresponding to CPT regulated revenue recovered from final customers (C_CPT_C) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue that is recovered from final customers (C_CPT_S_C) (lei/MWh)
Tariff for extracting electricity from the networks (T_L)	33.03	24.01	7.73	1.29

II) Tariff for the acquisition of system services applied in 2025

By ANRE Orders no. 57/2024, no. 21/2025 and no. 60/2025, the tariffs for the acquisition of system services practiced by CNTEE Transelectrica SA valid in 2025 were approved, according to the table below:

System Service	U.M.	Tariff in force	Difference (%)
Order no. 57/2024 (1 January - 31 May)	Lei/MWh	11.51	-
Order no. 21/2025 (June 1 – August 31)	Lei/MWh	7.04	-38.81%
Order no. 60/2025 (1 September – 31 December)	Lei/MWh	12.79	+81.69%

The negative and positive adjustments of the tariff starting with June 1, 2025 and September 1, 2025, respectively, were made based on the fulfillment of the provisions of Art.22 and Art.23 of the Methodology for setting the tariff for the acquisition of system services, approved by ANRE Order no. 116/2022.

.Quota

As of December 31, 2025, **contingent liabilities** are 49,219. These are related to disputes concerning claims representing additional costs following the increase in the minimum wage in the construction sector for investment contracts.

31.Related Parties

i) *Related parties – transactions*

The transactions carried out in 2025 and 2024 with the related parties are detailed as follows:

Affiliated Entity	Sales		Procurement	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
FORMENERG	-	-	3	7
TOTAL	-	-	3	7

During the year, the company Formenerg merged with the company Teletrans, as previously mentioned.

ii) Related parties – transactions with other state-owned companies

The company is an entity with majority state capital.

The value of the Company's transactions with entities controlled by the State or over which the State exercises a significant influence represents a significant part of the sales and purchases recorded in the year ended December 31, 2025.

Significant purchases/sales and balances are mainly with electricity producers/suppliers where the state is the majority shareholder, as follows:

Supplier	Procurements		Trade liabilities	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Hidroelectrica	749,234	1,946,094	109,789	226,959
Complexul Energetic Oltenia	468,882	586,388	59,677	66,628
Electrocentrale Bucuresti	281,524	261,776	56,720	23,470
Societate Electrocentrale Craiova	84,576	76,866	7,850	5,192
Thermoenergy Group SA	25,944	29,108	3,808	2,027
SNGN Romgaz SA	9,518	21,916	2,734	2,109
SCE Valea Jiului SA	8,522	11,751	1,865	1,131
Nuclearelectrica	257	24,367	30	7,321
OPCOM SA	2,763,526	1,833,386	90,190	644,297
TOTAL	4,391,618	4,791,653	332,212	979,134

Client	Sales		Trade receivables*)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Hidroelectrica	715,382	1,037,447	160,879	50,584
Complexul Energetic Oltenia	126,397	189,784	24,797	20,551
Nuclearelectrica	33,339	44,396	3,649	-
SNGN Romgaz SA.	16,380	32,581	3,292	990
Electrificare CFR SA	29,060	31,974	6,217	2,425
Electrocentrale Bucuresti	20,558	17,715	4,150	-
SCE Valea Jiului SA	13,288	16,559	2,800	572
Societate Electrocentrale Craiova	6,665	8,460	473	394
OPCOM SA	1,449,258	3,637,185	101,497	634,691
TOTAL	2,371,215	5,016,102	309,137	710,206

*) Commercial receivables are presented at gross value.

During 2025, the Company received dividends from the OPCOM in the amount of 22,108.

The types of transactions carried out in 2025 with Opcom represent electricity sale-purchase transactions.

As set out in Note 1 ("Legislative environment"). The Company's activities are regulated by ANRE. At the same time, as set out in Note 3 (b), in accordance with the Concession Agreement, an annual fee is paid, calculated as 4/1000 of the value of gross revenues from electricity transmission and transit operations, national transport systems, in the public property of the state.

32. Management Pay

The salaries paid to employees with an Individual Employment Contract (CIM) in management positions for the services provided are mainly composed of the basic salary, the management allowance, benefits at the end of the employment contract and post-employment, as well as the fixed component and the variable component for the members of the Executive Board and the Supervisory Board.

They are detailed as follows:

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

	December 31, 2025	December 31, 2024
<u>Employees with CIM in management positions</u>		
Short-term benefits	67,105	28,500
Other long-term benefits	1,111	316
<u>Members of the Executive Board and the Supervisory Board</u>		
Short-term benefits (Fixed component)	6,635	5,029
Benefits (rent, transportation)	327	-
Total	75,177	33,845

In the December 2025 note, the salary of the branch management was also presented, and for a compliant presentation in December 2024, the total amount was 69,807.

By Decision no. 1 of the Ordinary General Meeting of Shareholders of the National Electricity Transmission Company "Transelectrica" – S.A of 28.02.2024. the appointment of the members of the Supervisory Board with a term of office of 4 years was approved. starting with 01.03.2024 and until 29.02.2028. as well as the determination of remuneration.

By Supervisory Board Decision no. 39 of 30.09.2024. in accordance with the provisions of art. 35 paragraphs (4)-(8) and (11) of GEO no. 109/2011 on the corporate governance of public enterprises. following the completion of the selection procedure for candidates to occupy the positions of members of the CNTEE Transelectrica SA Executive Board. pursuant to Article 23 of the Articles of Incorporation. the appointment of the members of the Company's Executive Board was approved starting with 03.10.2024 until 29.02.2028 for a maximum period of four years. as well as the determination of remuneration.

33. Minority interests

	December 31, 2025	December 31, 2024
Balance on January 1	-	-
Share of loss in the year	-	-
Additional minority interests	-	-
Balance at the end of the period	-	-

34. Financial instruments

Financial Risk Management

The Group is exposed to the following risks arising from financial instruments: market risk (interest rate risk and currency risk), credit risk and liquidity risk. The Group's global management focuses on the unpredictability of the financial market and seeks to minimize the potential adverse effects of the Group's financial performance. Market risk is the risk that produces changes in market prices, such as currency exchange and interest rates that will affect the Group's revenues or the value of holdings of financial instruments.

The group has no formal commitments to combat financial risks. However, financial risks are monitored at the management level, with a focus on the Group's needs to effectively compensate for opportunities and threats.

This note provides information on the Group's exposure to the above-mentioned risks, on the objectives, policies and processes related to the measurement and management of risks, as well as on the Company's capital management.

Interest rate risk

The Group's operating cash flows are affected by changes in the interest rate, mainly as a result of long-term foreign currency loans contracted from external financing banks. The group has long-term fixed-interest loans, which cannot expose it to a cash flow risk.

At the balance sheet date, the ratio of the Group's fixed-rate and variable-rate financial instruments is as follows:

	December 31, 2025	December 31, 2024
Fixed interest rate financial instruments		
Financial liabilities	8,182	32,205
Floating interest rate financial instruments		
Financial liabilities	177,643	8,354

Interest rate sensitivity analysis

A -1.00% depreciation of the interest rate for loans with variable interest rates at the date of preparation of the statement of financial position would have increased the gross profit for the financial year by the amounts indicated below. This analysis assumes that all other variables, mainly the exchange rate, remain constant.

	Profit December 31 2025	Profit December 31 2024
<i>Floating-rate instruments (-1%)</i>	1,776	84
Total	1,776	84

An appreciation of +1.00% in the interest rate for loans with variable interest rates at the date of preparation of the statement of financial position would have decreased the gross profit for the financial year by the amounts indicated below. This analysis assumes that all other variables, mainly exchange rates, remain constant.

	Loss December 31, 2025	Loss December 31, 2024
<i>Floating rate instruments (+1%)</i>	(1,776)	(84)
Total	(1,776)	(84)

Currency risk

The Group may be exposed to fluctuations in the exchange rate of cash and cash equivalents, long-term loans or trade liabilities denominated in foreign currency.

The Group's functional currency is the Romanian leu. The Group is exposed to the exchange rate risk on cash and cash equivalents, purchases and loans made in a non-functional currency. The currencies that expose the Group to this risk are mainly EUR and USD. Loans in foreign currency and debts in foreign currency are subsequently expressed in lei, at the exchange rate on the balance sheet date, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account, but do not affect cash flow until the debt is settled.

The Company's exposure to currency risk, expressed in RON, was:

December 31, 2025	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	761,192	749,185	12,001	6
Trade and other receivables	3,371,004	2,227,700	1,143,304	-
Gross exposure assets	4,132,195	2,976,884	1,155,305	6
Financial liabilities				
Trade and other liabilities	3,453,470	2,324,872	1,125,437	3,161
Borrowings	185,825	177,643	8,182	-
Gross debt exposure	3,639,295	2,502,515	1,133,618	3,161
Net exposure at reporting date	492,900	474,369	21,686	(3,155)
31 December 2024	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	707,174	679,442	27,711	22
Trade and other receivables	3,782,840	2,279,595	1,503,223	22

31 December 2024	Value	RON	EUR	USD
Gross exposure assets	4,490,014	2,959,037	1,530,933	44
Financial debts				
Trade and other liabilities	3,889,713	2,316,112	1,573,601	-
Borrowings	40,559	8,354	32,205	-
Gross debt exposure	3,930,272	2,324,466	1,605,806	-
Net exposure at reporting date	559,742	634,571	(74,873)	44

Commercial and other receivables, as well as suppliers and other obligations except suppliers of fixed assets are expressed only in RON.

The following exchange rates have been applied:

	Average Course		Exchange rate at date	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
RON/ EURO	5.0415	4.9748	5.0985	4.9741
RON/ USD	4.4705	4.6048	4.3417	4.7768

Currency Risk Sensitivity Analysis

A 10% appreciation of the Romanian leu against the following foreign currencies on December 31, 2025 and December 31, 2024 would have increased the gross profit by the amounts indicated below. This analysis assumes that all other variables remain constant.

	Profit December 31 2025	Profit December 31, 2024
EUR	(2,169)	7,487
USD	(315)	4
Total	(2,484)	7,492

A 10% depreciation of the Romanian leu against the following foreign currencies on December 31, 2025 and December 31, 2024 would have had a similar but opposite effect on the above amounts, assuming that all other variables remained constant.

	Loss December 31 2025	Loss December 31, 2024
EUR	2,169	(7,487)
USD	315	(4)
Total	2,484	(7,492)

Credit risk

Credit risk is the risk in which the Group incurs a financial loss as a result of a breach of contractual obligations by a client or a 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 internal and external success factors of the Group. The external success factors – which have an effect on the reduction of risk systematically are: the decentralization of the energy sector in which production, transmission, distribution and supply are distinct activities, and the interface for the customer is represented by the supplier, the trading of electricity on the Romanian market on two market segments: the regulated market and the competitive market. Internal success factors in the treatment of counterparty risk include: diversification of the customer portfolio and diversification of the number of services offered on the electricity market.

The financial assets that may subject the Group to collection risk are mainly trade receivables and cash and cash equivalents. Group a has put in place a series of policies to ensure that the sale of services is carried out to customers with an appropriate revenue, by including in commercial contracts their obligation to provide financial guarantees. The amount of receivables, net of impairment adjustments, represents the

maximum amount exposed to recovery risk.

The collection risk related to these claims is limited, as these amounts are mainly owed by state-owned companies.

The maximum exposure to collection risk at the reporting date was:

	Net Worth December 31, 2025	Net Worth December 31, 2024
Financial assets		
Net trade receivables	2,422,234	2,580,095
Net other receivables and down payments to suppliers	552,154	930,509
VAT to be recovered	396,616	272,236
Cash and cash equivalents	761,192	707,174
Total	4,132,195	4,490,014

The statement of the seniority **of the receivables** at the date of preparation of the financial position was:

	Gross value 31 December 2025	Depreciation adjustment December 31, 2025	Gross value 31 December 2024	Depreciation adjustment December 31, 2024
Not reached to maturity	2,322,978	10	2,491,830	27
Due date exceeded 1 – 30 days	(703)	-	2,219	-
Due date exceeded 31 – 90 days	1,666	-	492	-
Due date exceeded 90 – 180 days	9,826	160	78	-
Due date exceeded 180 – 270 days	642	-	(31)	-
Due date exceeded 270 – 365 days	22	-	(8)	-
More than a year	214,784	126,811	213,581	128,038
Total	2,549,214	126,980	2,708,160	128,066

The statement of the seniority **of other receivables** at the date of preparation of the financial position was:

	Gross value 31 December 2025	Depreciation adjustment December 31, 2025	Gross value 31 December 2024	Depreciation adjustment December 31, 2024
Not reached to maturity	905,613	330	1,180,385	331
Due date exceeded 1 – 30 days	71	-	1,197	-
Due date exceeded 31 – 90 days	627	-	4,784	-
Due date exceeded 90 – 180 days	17,923	325	424	342
Due date exceeded 180 – 270 days	6,869	41	1,154	911
Due date exceeded 270 – 365 days	680	331	849	413
More than a year	88,750	70,737	86,985	71,036
Total	1,020,533	71,764	1,275,778	73,033

The evolution **of customer impairment adjustments** is as follows:

	December 31, 2025	December 31, 2024
Opening balance 1 january	128,066	130,158
Recognition of adjustments for impairment	2,598	288
Reversal of adjustments for impairment	3,683	2,381
Balance on the end of period	126,981	128,066

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

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

	December 31, 2025	December 31, 2024
Opening balance 1 january	73,033	84,933
Recognition of adjustments for impairment	1,725	7,431
Reversal of adjustments for impairment	2,994	19,331
Balance on the end of period	71,764	73,033

Liquidity risk

Liquidity risk is the risk that the Group will experience difficulties in meeting its obligations associated with financial liabilities that are settled in cash or through the transfer of another financial asset.

A prudent liquidity risk management policy involves maintaining sufficient cash and cash equivalents, the availability of financing through appropriate credit facilities.

	December 31, 2025	December 31, 2024
Assets		
Monetary assets in RON	2,976,884	2,959,037
Monetary assets in foreign currency	1,155,311	1,530,977
Total assets	4,132,195	4,490,014
Liabilities		
Monetary liabilities in RON	(2,502,515)	(2,324,466)
Monetary liabilities in foreign currency	(1,136,779)	(1,605,806)
Total liabilities	(3,639,295)	(3,930,272)
Net monetary position in RON	474,369	634,571
Net monetary position in foreign currency	18,531	(74,829)

The following table shows the contractual maturity of financial debts, including interest payments:

December 31, 2025	Net Worth	Contract value	<12 months	1–2 years	2–5 years	>5 years old
Financial liabilities						
Trade and other liabilities	3,430,884	3,430,884	3,413,011	14,714	3,159	-
Other tax and social security liabilities	22,585	22,585	22,585	-	-	-
Borrowings	185,825	195,823	184,354	980	490	-
Total	3,639,295	3,649,293	3,619,951	15,694	3,650	-
December 31, 2024	Net Worth	Contract value	<12 months	1–2 years	2–5 years	>5 years old
Financial liabilities						
Trade and other liabilities	3,864,176	3,838,172	3,858,507	1,604	4,065	-
Other tax and social security liabilities	25,537	25,613	25,537	-	-	-
Borrowings	40,559	47,205	32,641	6,483	1,435	-
Total	3,930,272	3,910,990	3,916,685	8,087	5,500	-

The following table shows the contractual maturity of financial assets, including interest payments:

CNTEE TRANSELECTRICA SA - IFRS EU
Explanatory Notes to the Consolidated Financial Statements as at December 31, 2025
(All amounts are expressed in thousand LEI, unless otherwise indicated)

December 31, 2025	Net Worth	Contract value	<12 months	1-2 years	2-5 years	>5 years old
Financial assets						
Net trade receivables	2,422,234	2,422,234	2,422,234	-	-	-
Net other receivables and down payments to suppliers	552,154	552,154	552,154	-	-	-
VAT to be recovered	396,616	396,616	396,616	-	-	-
Cash and cash equivalents	761,192	761,192	761,192	-	-	-
Total	4,132,195	4,132,195	4,132,195	-	-	-

December 31, 2024	Net Worth	Contract value	<12 months	1-2 years	2-5 years	>5 years old
Financial assets						
Net trade receivables	2,580,095	2,580,095	2,580,095	-	-	-
Net other receivables and down payments to suppliers	930,509	930,509	930,509	-	-	-
VAT to be recovered	272,236	272,236	272,236	-	-	-
Cash and cash equivalents	707,174	707,174	707,174	-	-	-
Total	4,490,014	4,490,014	4,490,014	-	-	-

Fair value of financial instruments

Fair value is the value at which the financial instrument can change in ordinary transactions carried out under objective and informed conditions between interested parties, other than those determined by liquidation or forced sale. Fair values are derived from quoted market prices or cash flow models, as applicable. As at 31 December 2024 and 31 December 2023, management considers the fair values of cash and cash equivalents, trade and other receivables, trade liabilities, loans and other short-term liabilities approximate their carrying amount. The book value of the loans is the amortized cost.

December 31, 2025	Book value	Fair Value
Financial assets		
Net trade receivables	2,422,234	2,422,234
Cash and cash equivalents	761,192	761,192
Net other receivables and down payments to suppliers	552,154	552,154
VAT to be recovered	396,616	396,616
Total	4,132,195	4,132,195

Non-current financial liabilities

Borrowings	1,471	1,471
Total	1,471	1,471

Current financial liabilities

Providers, including asset providers	3,414,967	3,414,967
Borrowings	184,354	184,354
Amounts due to employees and other liabilities	38,503	38,503
Total	3,637,824	3,637,824

December 31, 2024	Book value	Fair Value
Financial assets		
Net trade receivables	2,580,095	2,580,095
Cash and cash equivalents	707,174	707,174
Net other receivables and down payments to suppliers	930,509	930,509

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

December 31, 2024	Book value	Fair Value
VAT to be recovered	272,236	272,236
Total	4,490,014	4,490,014
Non-current financial liabilities		
Borrowings	7,918	7,918
Total	7,918	7,918
Current financial liabilities		
Providers, including asset providers	3,848,033	3,848,033
Borrowings	32,641	32,641
Amounts due to employees and other liabilities	41,680	41,680
Total	3,922,354	3,922,354

Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial Assets		
Cash and cash equivalents	761,192	707,174
Trade and other receivables	3,371,004	3,782,840
Financial liabilities		
Depreciated cost	3,639,295	3,930,272

Personnel risk and the payroll system

On December 31, 2025, the average age of the Group's staff is high. There is a possibility that in the future, the group faces a shortage of staff due to employee departures due to natural causes.

Another risk related to personnel is the possibility of highly qualified employees leaving for private companies, which could offer salary packages and compensations above the current level offered by the Company.

Capital Risk Management

The Company's policy is to maintain a strong capital base in order to maintain a solid financial structure that allows the conduct of operational activities in continuity and the financing of investment programs in the electricity transmission network infrastructure.

The company monitors the capital structure by analyzing the ratio of equity to financial liabilities, as well as debt indicators. Management regularly analyses this indicator to ensure that a balanced financial structure is maintained and to facilitate access to sources of financing under appropriate conditions. The Company's activity is subject to the regulatory framework established by ANRE, which defines mechanisms for establishing regulated revenues and remuneration of invested capital based on regulated assets.

Leverage indicator

	December 31, 2025	December 31, 2024
Current and long-term borrowings	185,825	40,559
Cash and cash equivalents	(761,192)	(707,174)
Net debt	(575,367)	(666,615)
Total liabilities	4,824,152	4,870,782
Total equity	5,897,682	5,656,984
Indebtedness (<i>Total liabilities/equity</i>)	0.82	0.86

35. Fees charged by each statutory auditor or audit firm

The fee charged for financial audit services for the financial year 2024 and paid in 2025 is in the amount of RON 1,020 (excluding VAT). services provided by PKF FINCONTA SRL.

For the financial year 2025, the fees (excluding VAT) charged by the statutory auditor, according to the contract C2303/2025 concluded with DELOITTE AUDIT SRL, are:

- for audit services in the amount of 866;
- for non-audit services in the amount of 477.

They will be paid during 2026.

36. Environmental objectives

CNTEE Transelectrica SA has implemented an integrated quality management system, environment, health and safety at work, through which it efficiently manages the environmental aspects related to the electricity transmission activity, as well as maintenance and modernization of the RET, to prevent pollution and increase environmental performance.

The Company's concern for environmental protection is also reflected in the Policy Statement of the Integrated Management System in the areas of quality, environment, health and safety at work.

The development strategy has as its fundamental objective the fulfillment of the needs and expectations of its customers and other stakeholders, in a quality Integrated Management System, environment, safety and health at work, implemented, certificate, maintained and continuously improved in accordance with the requirements of the SR EN ISO 9001:2015 standards. SR EN ISO 14001:2015 and SR ISO 45001:2023.

To achieve this strategy and achieve lasting success, the Company's management is committed to ensuring:

- the operation of the electricity system under the conditions established by the European and national regulations in the primary and secondary legislation, to meet the needs and expectations of customers and other stakeholders;
- the organizational framework necessary for the establishment, analyzing and implementing the objectives of the Integrated Quality Management System. environment. occupational safety and health;
- sustainable development and reduction of the negative impact of RET on the environment by:
 - ✓ identification of environmental aspects/associated risks and opportunities.
 - ✓ monitoring of environmental factors. prevention/combating of pollution by using the best available technologies.
 - ✓ decontamination. rehabilitation or ecological reconstruction of land areas and water surfaces affected by the Company's activities.
 - ✓ prevention and reduction of fluorinated greenhouse gas (GHG) emissions: SF6. ozone. Freon, etc.
 - ✓ prevention and reduction of air pollution by within the permissible limits of the concentration of pollutants emitted into the atmosphere (emissions from thermal power plants and cars).
 - ✓ prevention and reduction of water pollution by within the permissible limits of the concentration of pollutants in water.
 - ✓ proper waste management.
 - ✓ reducing the risk of collision and electric shock to birds.
 - ✓ prevention of forest fires by maintaining the safety lane.
 - ✓ avoiding the alteration of natural habitats, especially protected natural areas.

At the level of CNTEE Transelectrica SA, it is developed annually. Report on the Analysis of the Integrated Management System and a program of measures for the continuous improvement of the SMI (including the SMM) is approved.

37. Subsequent events

• **Tariff for the purchase of system services**

Based on the provisions of the *Methodology for setting the tariff for the acquisition of system services*, approved by ANRE Order no. 116/2022. CNTEE Transelectrica SA submitted to ANRE. Proposal and substantiation of the tariff for the acquisition of system services starting with January 1, 2026. Taking into account the above, and following the analysis of the substantiation elements of the tariff. ANRE issued Order no. 73/2025. approving **the tariff for the acquisition of system services applicable from 1 January 2026. in the amount of 14.70 lei/MWh.**

• **Tariffs for electricity transmission service**

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

Based on the provisions of the Methodology for setting tariffs for the electricity transmission service approved by ANRE President's Order no. 68/2024. ANRE approved by Order no. 74/2025 the values of the tariffs for the electricity transmission service valid from January 1, 2026. according to the tables below:
Tariff for the introduction of electricity from the networks (TG)

	Tariff from 01 January 2026 (lei/MWh). According to ANRE Order no. 74/16.12.2025. of which:	The tariff component corresponding to the CPT regulated revenue that is recovered from producers (C_CPT_P) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue that is recovered from producers (C_CPT_S_P) (lei/MWh)
Tariff for the introduction of electricity into the transmission network (TG)	3.63	3.18	0.45

Tariff for extracting electricity from networks (TL)

	Tariff from 01 January 2026 (lei/MWh). According to ANRE Order no. 74/16.12.2025. of which:	Tariff component corresponding to non-CPT regulated income (CT_nonCPT) (lei/MWh)	Tariff component corresponding to CPT regulated revenue recovered from final customers (C_CPT_C) (lei/MWh)	Tariff component corresponding to the additional capitalized CPT regulated revenue that is recovered from final customers (C_CPT_S_C) (lei/MWh)
Tariff for extracting electricity from networks (TL)	36.45	25.60	9.14	1.71

• **Decision no. 1 of the Ordinary General Meeting of Shareholders of 08 January 2026**

The Ordinary General Meeting of the Company's Shareholders, pursuant to the provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and completions, of Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and completions, and of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and completions, meeting on January 8, 2026:

- approved the performance of the necessary legal steps, by the shareholders, to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by C.N.T.E.E. Transelectrica S.A., following the vote expressed by it in the meeting of the General Meeting of Shareholders on November 6, 2013;

- approved the performance of the necessary legal steps, by the shareholders, to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by Transelectrica S.A., following the vote expressed by the latter in the meeting of the General Meeting of Shareholders on September 28, 2020;

- approved the mandate of the legal representatives of Transelectrica S.A. in order to carry out the necessary legal steps, in order to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by C.N.T.E.E. Transelectrica S.A., following the vote expressed by it in the meeting of the General Meeting of Shareholders on November 6, 2013;

- approved the mandate of the Company's legal representatives in order to carry out the necessary legal steps to attract the patrimonial liability of the shareholder's representative, in order to recover the amounts paid by Transelectrica S.A., following the vote expressed by him in the meeting of the General Meeting of Shareholders on September 28, 2020.

• **Military conflict in the Middle East**

Subsequent to December 31, 2025, there were escalations of geopolitical tensions in the Middle East, which generated volatility in international energy markets.

Management assessed these developments and the information that, at the date of approval of the financial statements, they do not indicate the existence of conditions at December 31, 2025 that would require adjustment to the financial statements.

Given the dynamic nature of these events, management continues to monitor the potential impact on the company's business, including on the financial position, performance and cash flows, as well as on the assumption of continuity of activity.

These events are treated as subsequent events that do not require adjustment, in accordance with IAS 10.

- **Moody's reconfirms the Baa3 rating**

The Company informed shareholders and stakeholders that, on March 16, 2026, Moody's Ratings published the Annual Update of the Credit Opinion for C.N.T.E.E. Transelectrica A. Through this report, S.A. reconfirms the long-term credit rating at Baa3, while maintaining the negative outlook and the individual credit profile (BCA) at ba1.

The attached consolidated financial statements were signed by the management on March 18, 2026:

Directorate,

**Stefanita
MUNTEANU**
President

**Cătălin-Constantin
NADOLU**

Member
Directorate

**Cosmin-Vasile
NICULA**

Member
Directorate

**Florin-Cristian
TATARU**

Member
Directorate

Ana-Iuliana DINU
Director of the Economic and Financial
Directorate

Cristiana Zîrnovan
Manager of the Budget and Management Reporting
Department