



Transelectrica®

Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice
 Transelectrica SA - Sediul Social: Str. Olteni, nr. 2-4, C.P. 030786, București,
 România, Număr de ordine în Registrul Comerțului: J2000008060404,
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 Capital subscris și vărsat: 733.031.420 lei

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NOTE

regarding the approval of the establishment of reserves related to revenues obtained from the allocation of transmission capacity on interconnection lines in the year 2025, from the surplus realized from revaluation reserves non-taxable and taxable upon change of use

I. General Provisions

In accordance with the provisions of Order of the Minister of Public Finance no. 881/2012, CNTEE Transelectrica S.A. (hereinafter also referred to as the "Company") has the obligation, starting with the financial year 2012, to apply the International Financial Reporting Standards (IFRS) in the preparation of the individual (separate) annual financial statements.

In the application of the provisions of art. 1 of Order of the Minister of Public Finance no. 881/2012, Order of the Minister of Public Finance no. 1286/2012 was issued for the approval of the accounting regulations compliant with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market. Order of the Minister of Public Finance no. 1286/2012 was repealed, being replaced by Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, as subsequently amended and supplemented.

According to IFRS, IAS 16 – Property, Plant and Equipment, paragraph 41, "a portion of the surplus may be transferred as the asset is used by the entity. In this case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost."

Based on the provisions of IFRS and the Accounting Policies Manual applicable to the Company, CNTEE Transelectrica S.A. applies the method of capitalizing the revaluation surplus as the asset is used, respectively at the time of recognition of the depreciation expenses related to the revaluation surplus.

The surplus from revaluation reserves is recognized as realized as the depreciation expenses related to the increase in revalued amounts are recorded and does not represent a monetary item generating cash flows, being determined solely by a transfer operation from revaluation reserves to retained earnings.

As at 31 December 2025, the Company records a positive retained earnings balance arising from the surplus realized from revaluation reserves in the amount of RON 915,272,263, of which:

- the surplus realized from revaluation reserves non-taxable upon change of use in the amount of RON 209,871,876;
- the surplus realized from revaluation reserves taxable upon change of use in the amount of RON 705,400,387.

CNTEE Transelectrica S.A. carries out its activity as transmission and system operator in accordance with 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, on the basis of License no. 2706/2025 issued by ANRE.

Among the services provided by the Company on the electricity market is also the allocation of transmission capacity on the interconnection lines of the National Power System with neighboring power systems, for the purpose of carrying out import/export and transit electricity transactions

under equal, transparent and non-discriminatory conditions, through successive explicit auctions on an annual, monthly, daily and intraday basis.

Regulation (EU) No. 943/2019 and ANRE Order No. 68/2024 provide for the use of revenues from the allocation of interconnection capacities for the purpose of carrying out network investments aimed at maintaining or increasing interconnection capacities, as follows:

- Regulation (EU) No. 943/2019 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity.

Art. 19 para. (2) – In the allocation of revenues resulting from the allocation of cross-zonal capacity, priority shall be given to the following objectives:

(a) guaranteeing the actual availability of the allocated capacity, including firmness compensation; or

(b) maintaining or increasing cross-zonal capacities by optimizing the use of existing interconnection capacities through coordinated remedial actions, where appropriate, or covering the costs generated by network investments relevant for reducing congestion of interconnection capacities.

- The provisions of Regulation (EU) No. 943/2019 of the European Parliament and of the Council of 5 June 2019 have been transposed into national legislation by ANRE Order No. 68/2024 approving the Methodology for setting tariffs for the electricity transmission service, which provides under art. 90 para. (1) the following:

- The revenues generated from the allocation of transmission capacity on interconnection lines shall be used with priority in accordance with the provisions of art. 19 para. (2) of Regulation (EU) No. 943/2019.

these revenues constitute a source of financing for guaranteeing the actual availability of the allocated cross-border transmission capacity, for maintaining or increasing cross-zonal capacities by optimizing the use of existing interconnection capacities through coordinated remedial actions, where appropriate, or for covering the costs generated by network investments relevant for reducing congestion of interconnection capacities.

Starting with the year 2025, by ANRE Decision No. 2624/10.12.2024 approving the method for covering the forecasted expenses for the year 2025 from the revenues obtained from the allocation of cross-border interconnection capacity, the carrying out of RET maintenance expenditures for certain major and minor maintenance projects has been approved, to be financed from the revenues obtained from the allocation of cross-border interconnection capacity.

II. Justification

In accordance with the applicable accounting regulations, the revenues collected by the Company from the allocation of interconnection capacities represent revenues derived from services provided on the electricity market, being recorded in revenue accounts (under distinct analytical accounts), and are implicitly included in the gross accounting result.

The net profit remaining after the deduction of corporate income tax is allocated to the legally prescribed purposes in accordance with the provisions of Government Ordinance No. 64/2001 regarding the distribution of profit within national companies, national corporations and companies with full or majority state ownership, as well as within autonomous administrations, which provides under art. 1 letter d) the allocation destination “Other allocations provided by law.”.

In 2025, revenues from the allocation of interconnection capacity amounting to RON 337,164,962 were generated. In the allocation of the revenues from the interconnection capacity realized in 2025 under the destination “other allocations provided by law”, maintenance expenditures related to overhead power lines (OHL), which significantly contribute to maintaining or increasing cross-zonal capacities, amounting to RON 30,077,320, were taken into consideration, in accordance with ANRE

Decision No. 2624 of 10.12.2024 approving the method for covering the forecasted expenses for the year 2025 from the revenues obtained from the allocation of cross-border interconnection capacity. Therefore, the amount of RON 30,077,320 reduces the revenues from the allocation of interconnection capacity realized in 2025 and does not become a source of financing for investments in maintaining and/or increasing the cross-border interconnection capacity of the electricity transmission network in Romania.

Thus, the revenues to be allocated under the destination "other allocations provided by law" amount to RON 307,087,642, for which the related corporate income tax (16%) amounts to RON 49,134,023.

Under these conditions, the revenues generated in 2025 from the allocation of interconnection capacity (net amounts of corporate income tax), to be allocated for the establishment of reserves, for the purpose of carrying out network investments aimed at maintaining or increasing interconnection capacities, in accordance with Regulation (EU) No. 973/2019 and ANRE Order No. 68/2024, amount to RON 257,953,619 (RON 307,087,642 – RON 49,134,023), as per the annex.

From the amount of RON 257,953,619, the accounting profit for the year 2025 remaining after the deduction of corporate income tax allows the allocation, under the destination "Other reserves", for the purpose of carrying out network investments aimed at maintaining or increasing interconnection capacities, only of the amount of RON 124,436,039, within the limit of the net profit achieved. For the difference of reserves to be established, amounting to RON 133,517,580 (RON 257,953,619 – RON 124,436,039), we propose:

III. Proposals

Pursuant to art. 14 para. (1) letter a) of the updated Articles of Incorporation of CNTEE Transelectrica S.A., and pursuant to art. 90 para. (1) of ANRE Order No. 68/2024, we submit for approval to the General Meeting of Shareholders the establishment of reserves related to the revenues obtained from the allocation of transmission capacity on interconnection lines, through allocation from retained earnings representing the surplus realized from revaluation reserves non-taxable upon change of use, in the amount of RON 133,517,580.

DIRECTORAT

President

Ștefăniță MUNTEANU

Member

Cătălin-Constantin NADOLU

Member

Cosmin-Vasile NICULA

Member

Florin-Cristian TĂȚĂRĂ

CNTEE TRANSELECTRICA SA

Allocation of revenues obtained from the allocation of interconnection capacity in the year 2025,
to be allocated for the establishment of sources of financing for investments aimed at increasing interconnection capacity with neighboring systems
(net amounts of corporate income tax)

No.	Revenues from the allocation of interconnection capacity	Achieved 2025	Deductions	Revenues from the allocation of interconnection capacity to be allocated for the establishment of sources of financing for investments aimed at increasing interconnection capacity with neighboring systems (net amounts of corporate income tax)
			Corporate income tax (16%)	
0	1	2	3 = 2*16%	4 = 2-3
1	Revenues from the allocation of interconnection capacity	337,164,962	53,946,394	283,218,568
2	Maintenance expenses related to overhead power lines (OHL) which significantly contribute to maintaining or increasing cross-zonal capacities	(30,077,320)	(4,812,371)	(25,264,949)
3	Total (row. 1 + row. 2)	307,087,642	49,134,023	257,953,619

Director, Economic and Financial Directorate

Ana-Iuliana DINU

Manager Accounting Department

Georgiana-Beatrice ȘTEFAN