



Transelectrica®

Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice

Transelectrica SA - Punct de lucru: Str. Olteni, nr. 2-4, C.P. 030786, București
România, Număr înregistrare Oficiul Registrului Comerțului J40/8060/2000,
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Capital subscris și vărsat: 733.031.420 Lei

www.transelectrica.ro

**To the: Bucharest Stock Exchange – Department of Operations Issuers Regulated Markets
Financial Supervision Authority - General Directorate Supervision - Issuers Division**

Communique in compliance with the Law no. 24/2017, ASF Regulation no. 5/2018 and of the BVB Code

Date of the communique: **29 April 2020**

Name of Issuer Company: **NPG TRANSELECTRICA SA, Company Managed under Two-tier System**

Headquarters: Bucharest 1, Boulevard Gheorghe Magheru 33,

Working location: Bucharest 3, Str. Olteni 2-4

Phone / fax numbers: 004 (0)21 30 35 611 /004 (0)21 30 35 610

Single registration code: 13328043

Number in the Trade Register: J40/8060/2000

Share capital subscribed and paid: 733,031,420 RON

LEI code: 254900OLXCOUQC90M036

Regulated market where the issued securities are transacted: Bucharest Stock Exchange

Important event to report: – Summary of financial results obtained in 2019

The report includes:

- Stand-alone financial statements as of and for the financial year ended on December 31st, 2019 elaborated in accordance with Order 2844/2016 of the Minister of Public Finance with later amendments and additions approving the Accounting Regulations compliant with the International Financial Reporting Standards;

- Independent auditor's report on the Stand-alone financial statements on the date and for the financial year concluded on December 31st, 2019;

- Annual report on the stand-alone financial statements of NPG Transelectrica SA, drafted according to Order no. 2844/2016 of the Ministry of Public Finances, as subsequently amended and supplemented and according to Law no. 24/2017 on the issuers of finance instruments and market operations and to Annex 15 of Regulation 5/2018 issued by the Financial Services Authority for the financial year concluded on December 31st, 2019;

- Consolidated financial statements on the date and for the financial year concluded on December 31st, 2019 drawn up according to the Order of the Ministry of Public Finance no. 2844/2016 as subsequently amended and supplemented on the approval of accounting regulations in line with the International Financial Reporting Standards;

- Independent auditor's report on the Consolidated financial statements on the date and for the financial year concluded on December 31st, 2019;

- Annual consolidated report on the Consolidated financial statements on the date and for the financial year concluded on December 31st, 2019 drawn up according to the Order of the Ministry of Public Finance no. 2844/2016 as subsequently amended and supplemented on the approval of accounting regulations in line with the International Financial Reporting Standards;

In 2019 Transelectrica registered improvement in terms of financial profitability in comparison with 2018.

The Company achieved operational profit 15% higher than in 2018 against a background of 13% smaller total operational costs (amortisement included) thus slightly compensating the 12% drop in operational revenues.

The profit allowed activities segment: has registered 3% increase of revenues, as determined by the average tariff rise, which has been valid from 01 July 2019 onward.

During the studied interval revenues from the allocation of interconnection capacities increased 3% compared to the amount achieved in 2018 (84 mill Lei in 2019 compared to 82 mill Lei in 2018) which corresponds to the utilisation degree of available interconnection capacity by the traders on the electricity market. At the same time revenues from CPT transactions were de 2.1 mill Lei higher in 2019 compared to 2018 (7.9 mill Lei in 2019 from 5.9 mill Lei in 2018), because the imbalances of Transelectrica have been contrary to the imbalances of BRP CIGA ENERGY and thus it was more beneficial to sell the excess electricity under the BRP than on the balancing market.

EBITDA has received negative influence from the higher system operational expenses (14%) in comparison with 2018, especially the CPT expenses were 31 mill. Lei higher, but also the expenses from functional system services registered 17 mill. Lei more than in 2018.

Operational expenses relating to the profit allowed segment were mainly impacted by:

- 16% increase of system operation costs, mainly because of the negative development of CPT expenses (284 mill Lei in 2019 compared to 253 mill Lei in 2018) against a background of higher average price for

procurement of electricity required in order to cover CPT within RET, a difference mainly associated with January when the "Market stability reserve" (MSR) became applicable, which imposes a limited number of certificates for greenhouse gas emission while during the same month Romania was prevalingly an electricity importer, since some generating power plants were unavailable and the average price of CPT procurement increased (from 224 Lei/MWh in 2018 to 279 Lei MWh in 2019).

- positive development of congestion expenses due to their 6.6 mill Lei (80%) decrease compared to 2018, mainly determined by the provision of the N-1 safety criterion when the 220 kV OHL Fantanele – Gheorgheni was unavailable because of bad meteorological conditions and by the N-1 safety criterion being provided in section 4, while the 400 kV OHL Iernut – Sibiu Sud was disconnected according to schedule.

The zero profit activity segment: has registered negative result, but with positive development compared to the similar period of 2018, determined by 3% higher revenues from technological system services and by the ANRE-approved average tariff.

In the second semester of 2019 tariffs have been applied as approved by ANRE Order 81/2019, which tariffs became applicable on 01.07.2019 and were valid until 31.12.2019 and that was called transitory time interval from the third to the fourth regulatory period according to ANRE Order 57/08.05.2019

The 2019 net financial result was registered as being negative, amounting to 9 mill Lei. It has been mainly influenced by the development of exchange rates for our national currency against the euro, since the Company has contracted bank loans in this European currency to finance its investment programmes, in the context of diminished interest expenses.

	M.U.	2019	2018	Δ
Financial				
Billed quantity	[TWh]	55.34	55.78	▼ 1%
PROFIT ALLOWED ACTIVITIES				
Total revenues	[RON mn]	1,221	1,180	▲ 3%
Average transmission tariff (achieved)	[RON/MWh]	17.82	17.46	▲ 2%
Transmission revenues and from other activities on the market	[[RON mn]	1,082	1,070	▲ 1%
EBITDA	[[RON mn]	418	440	▼ 5%
Amortisement	[[RON mn]	280	298	▼ 6%
EBIT	[[RON mn]	138	142	▼ 2%
ZERO PROFIT ACTIVITIES				
EBIT	[[RON mn]	(22)	(40)	▲ 44%
ALL ACTIVITIES (PROFIT ALLOWED AND ZERO PROFIT)				
EBIT	[[RON mn]	116	101	▲ 14%
Net profit	[[RON mn]	96	81	▲ 18%
Operational				
Net internal consumption	[TWh]			
Net internal output	[TWh]	57.5	58.2	▼ 1%
Export	[TWh]	56.0	60.7	▼ 8%

The reports about the activities of NPG Transelectrica SA in January-December 2019 and the Audited financial statements of 31 December 2019 are available beginning with 29 April 2020.

- online, on the website www.transelectrica.ro, section Investor Relations Periodical Reports/Reports, namely <https://www.transelectrica.ro/rapoarte-2019>;
- at Company offices: str. Olteni 2-4, Bucharest 3;

Catalin NITU
Executive Director General
Directorate Chairman

Andreea-Mihaela MIU
Directorate Member