



Transelectrica SA

Transmission and System Operator
of the Romanian Electrical Power System

We lead the power

Financial results

2022

(01.01.2022 – 31.12.2022)

unconsolidated accounts

Purpose, disclaimer and other cautionary statements

DOCUMENT PURPOSE:

This presentation has been prepared with the sole intention to facilitate the understanding of Transelectrica's operational and financial results by the general investing public (shareholders, creditors, analysts, financial media). Therefore it is of a purely informative nature. **This presentation is not an offer, invitation or a recommendation to trade in securities issued by the Company.** The detailed financial statements and the full reports prepared in accordance with capital market regulations are available online at www.transelectrica.ro.

FINANCIAL NUMBERS:

<i>reporting period:</i>	1 st January 2022 – 31 st December 2022
<i>reporting standard:</i>	International Financial Reporting Standards (IFRS)
<i>basis/scope:</i>	standalone (unconsolidated)
<i>external audit:</i>	audited
<i>rounded numbers:</i>	for ease of reading, certain figures used in this presentation (tables and charts) are displayed in millions and rounded to such unit or to one or two decimals. In some cases this leads to minor differences between totals and the sum of the individual elements (rounding errors)

Agenda:

2022 highlights

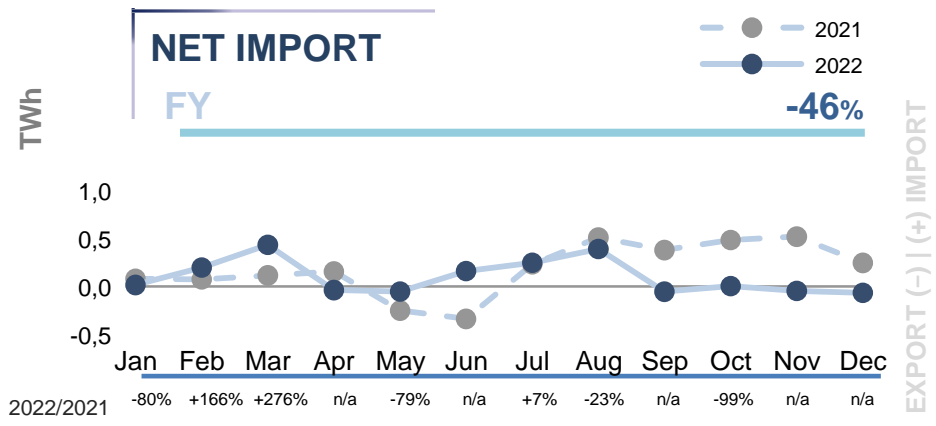
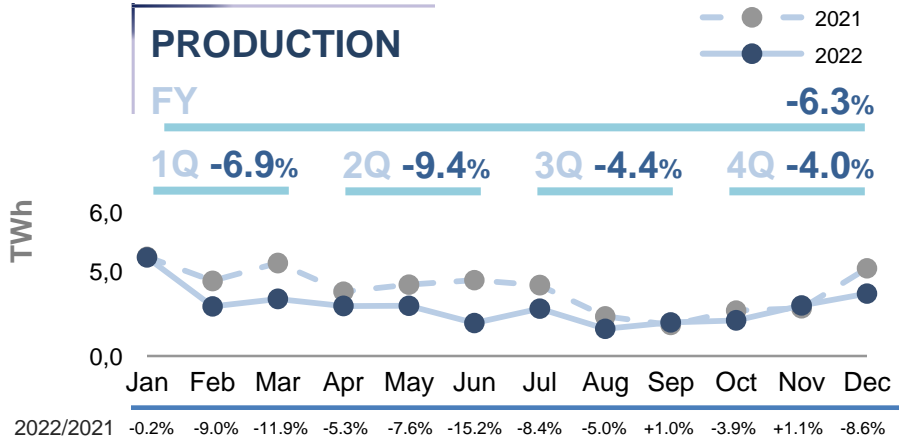
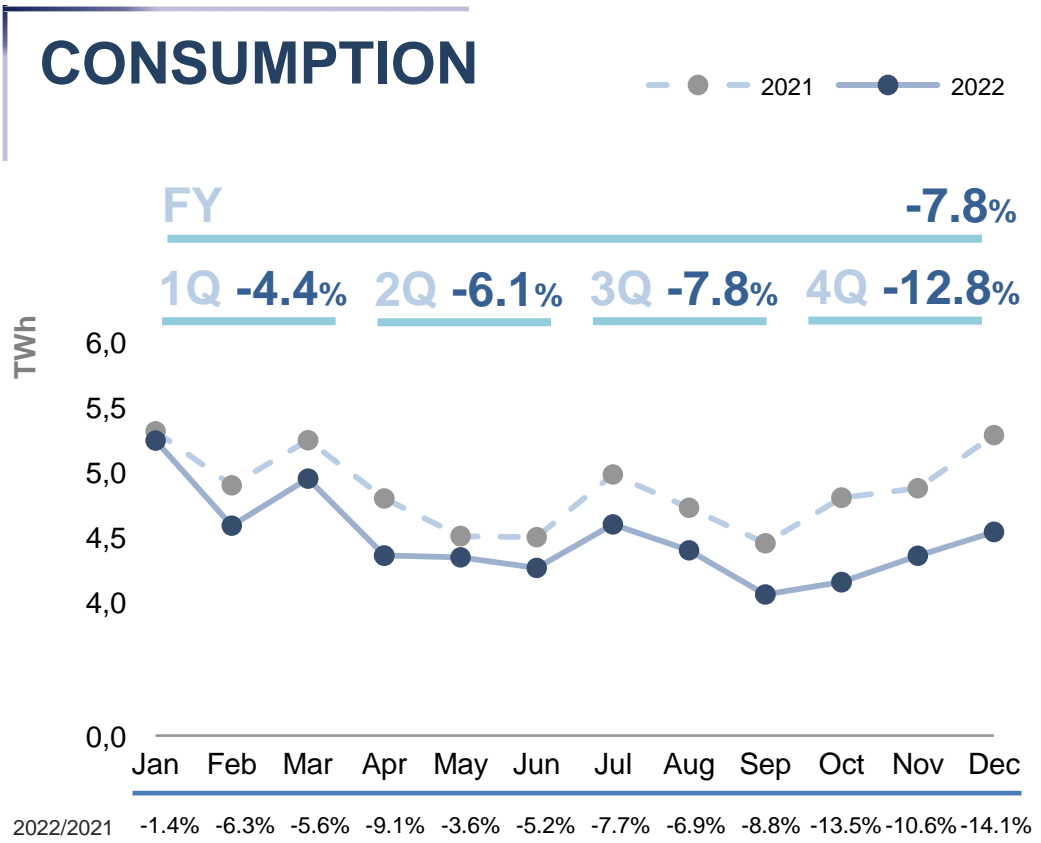
- Key market trends
- Operational results
- Financial results
- Investment

Q&A



Domestic demand -7.8% y.o.y.

Domestic production -6.3% y.o.y.



Consumption and generation numbers do not include power plants' own electricity consumption. Consumption includes (i) energy losses in transmission and distribution networks, and (ii) consumption for hydro pumped storage. Cross-border net flow is calculated based on physical flows (import-export).



Operations | Revenues

Operational revenues

ALL OPERATIONS

PROFIT-ALLOWED OPERATIONS

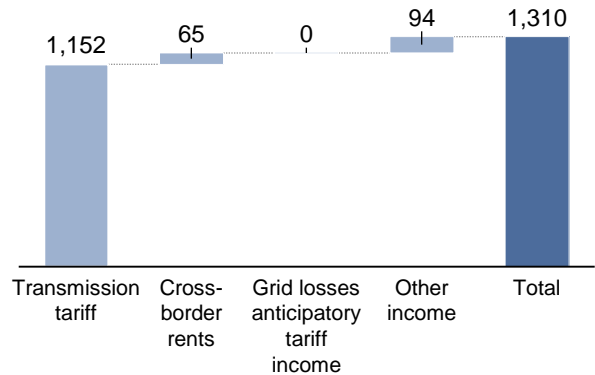
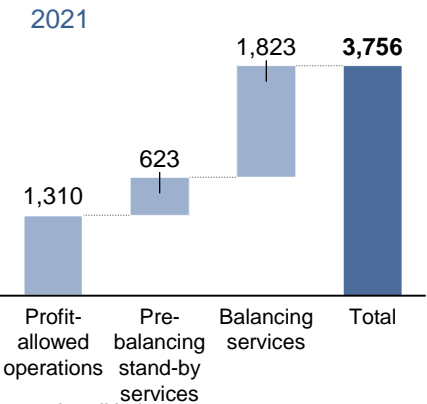
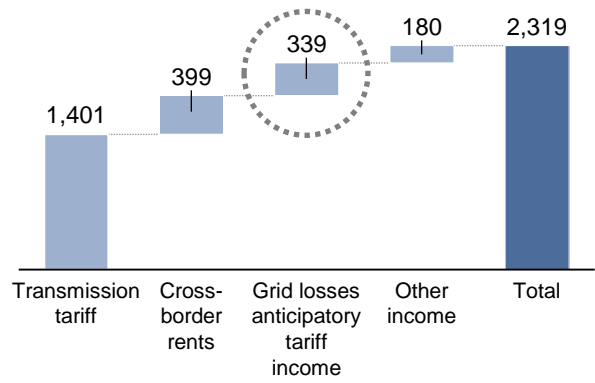
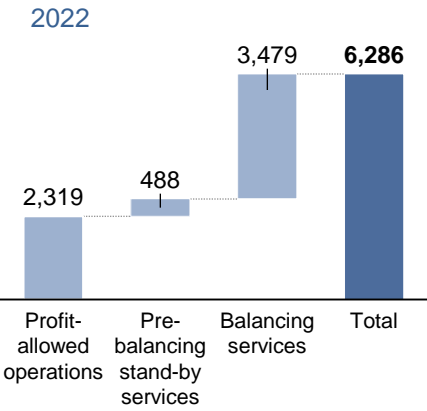
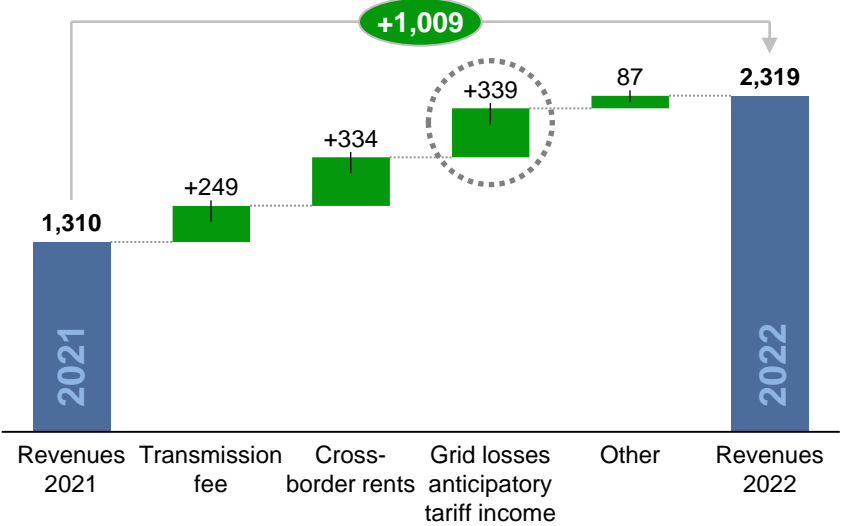


Chart unit: mil Lei

Operational revenues

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



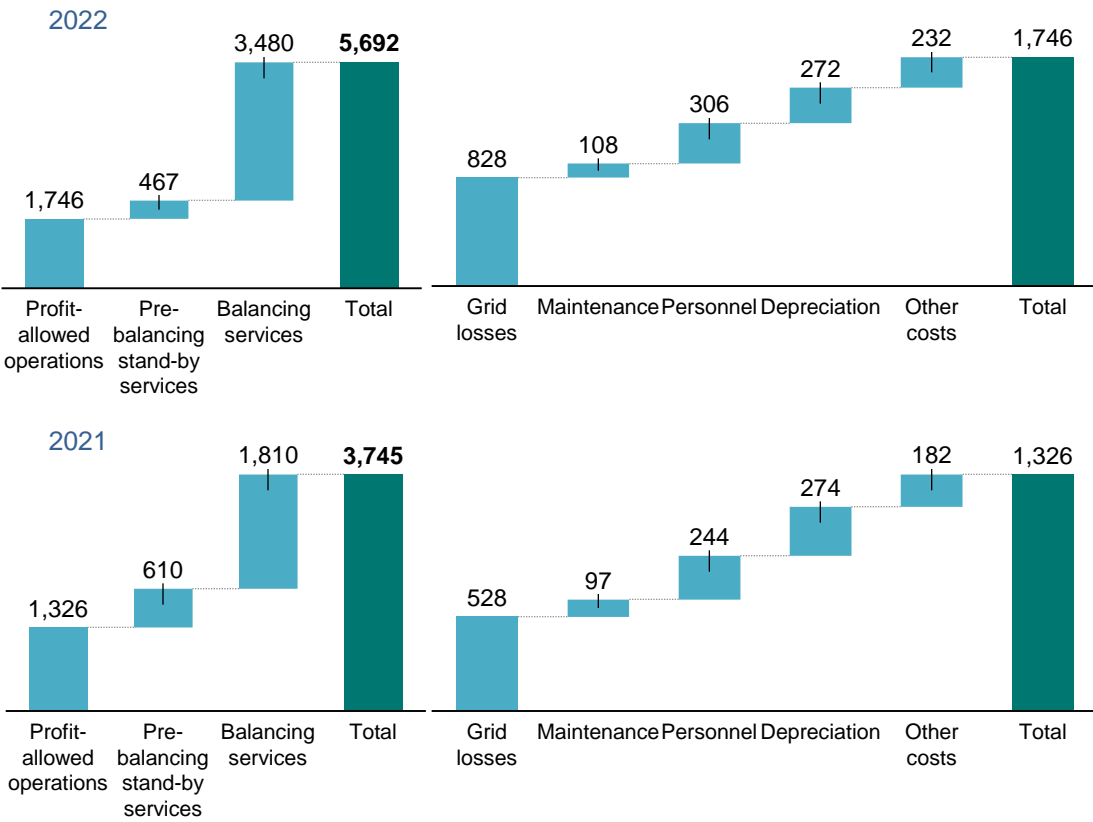
DRIVERS BEHIND THE INCREASE IN REVENUES

- ▲ Higher cross-border capacity income (high demand for energy transits originating from BG: BG→RO and RO→HU)
- ▲ Anticipatory (non-cash) tariff revenue for grid losses cost-recovery, reflecting future tariff income compensating for the gap between the regulatory energy price assumption embedded into the 2022 transmission tariff and the real 2022 market price
- ▲ Higher tariff (partially offsetting increased grid losses costs) compensated for lower volume

Operations | Costs

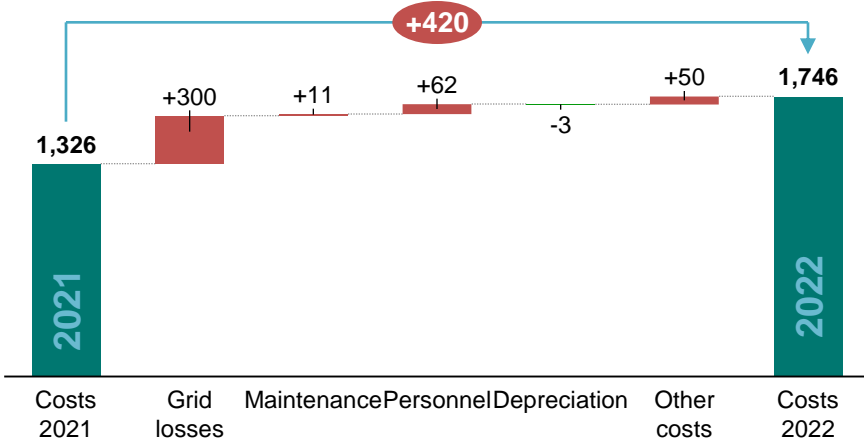
Operational expenses

ALL OPERATIONS PROFIT-ALLOWED OPERATIONS



Operational expenses

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



DRIVERS BEHIND THE EVOLUTION OF COSTS

- ▲ Grid losses (higher electricity market prices)
- ▲ Personnel costs (with a significant one-off component i.e. provisions for former directors claims for the early termination of their term in office)
- ▲ Other costs (mainly energy-related expenses e.g. substation energy usage, settlements under the European Inter-TSO-Compensation agreement)

Chart unit: mil Lei



WE LEAD THE POWER

—●— 2021
—●— 2022

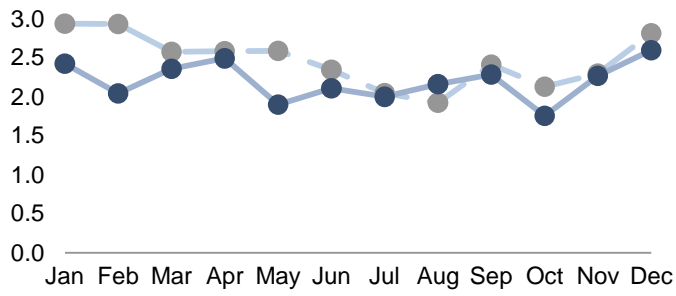
2022 / 2021
-0.27 PP

2.47%
2.20%

Regulatory cap 2022: 2.27% (annual average)

FY **2.20%**

1Q 2.28% 2Q 2.17% 3Q 2.14% 4Q 2.22%



2022	2.42	2.04	2.36	2.49	1.90	2.11	2.00	2.16	2.28	1.76	2.27	2.60
2021	2.94	2.93	2.57	2.58	2.59	2.35	2.05	1.92	2.41	2.13	2.30	2.81

GRID LOSSES

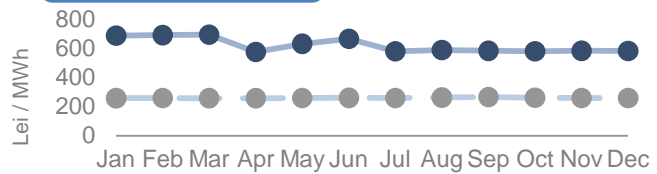
43.50 TWh
GRID IN-TAKE VOLUME IN 2022

42.54 TWh
GRID OFF-TAKE VOLUME IN 2022

2.20% (0.96TWh)
GRID LOSSES 2022

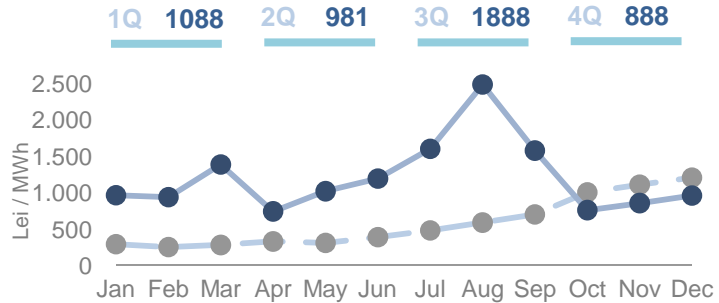
2022 / 2021
+131% FM

260 Lei
600 Lei



2022 / 2021
+101% DAM

552 Lei
1110 Lei



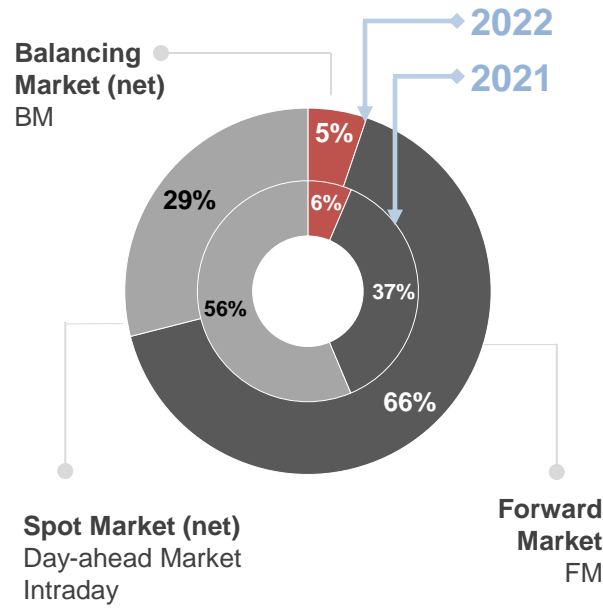
PRICES PAID PER MARKET

600 Lei/MWh (▲ 131%)
FORWARD MARKET (FM)

1110 Lei/MWh (▲ 101%)
DAY-AHEAD MARKET (DAM)

1277 Lei/MWh (▲ 80%)
BALANCING MARKET (BM) (Net, BRP fee included)

Operational costs | grid losses



AVERAGE PRICE / PURCHASE MIX

780 Lei/MWh (▲ 71%)
CROSS-MARKET AVERAGE PRICE PAID

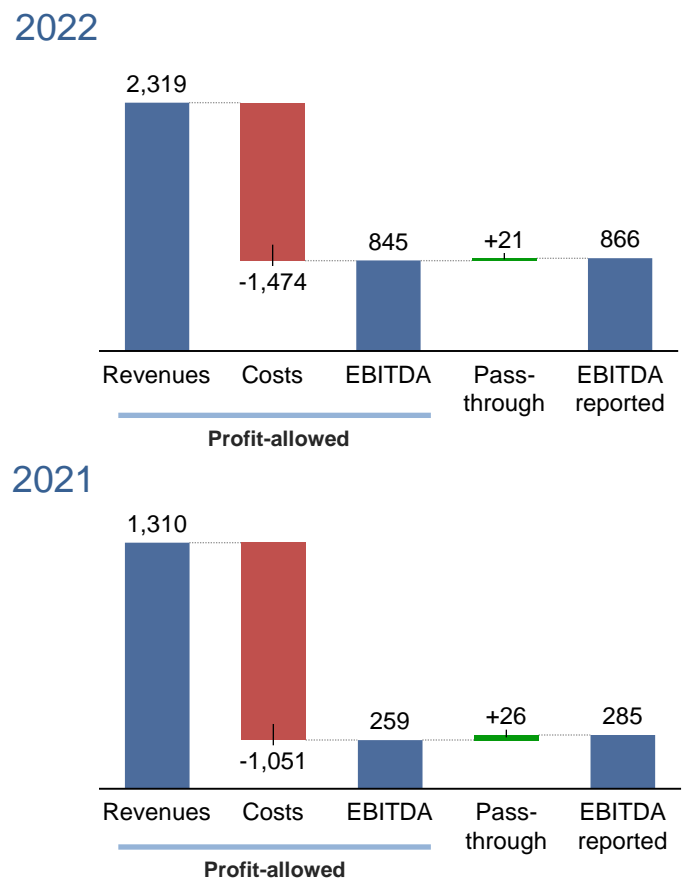
66%FM / 29%SPOT / 5%BM (2022)
PURCHASE MIX (VOLUMES)

37%FM / 56%SPOT / 6%BM (2021)
PURCHASE MIX (VOLUMES)



Operational profit | EBITDA

FROM REVENUES TO EBITDA



EBITDA BREAKDOWN (PROFIT-ALLOWED)

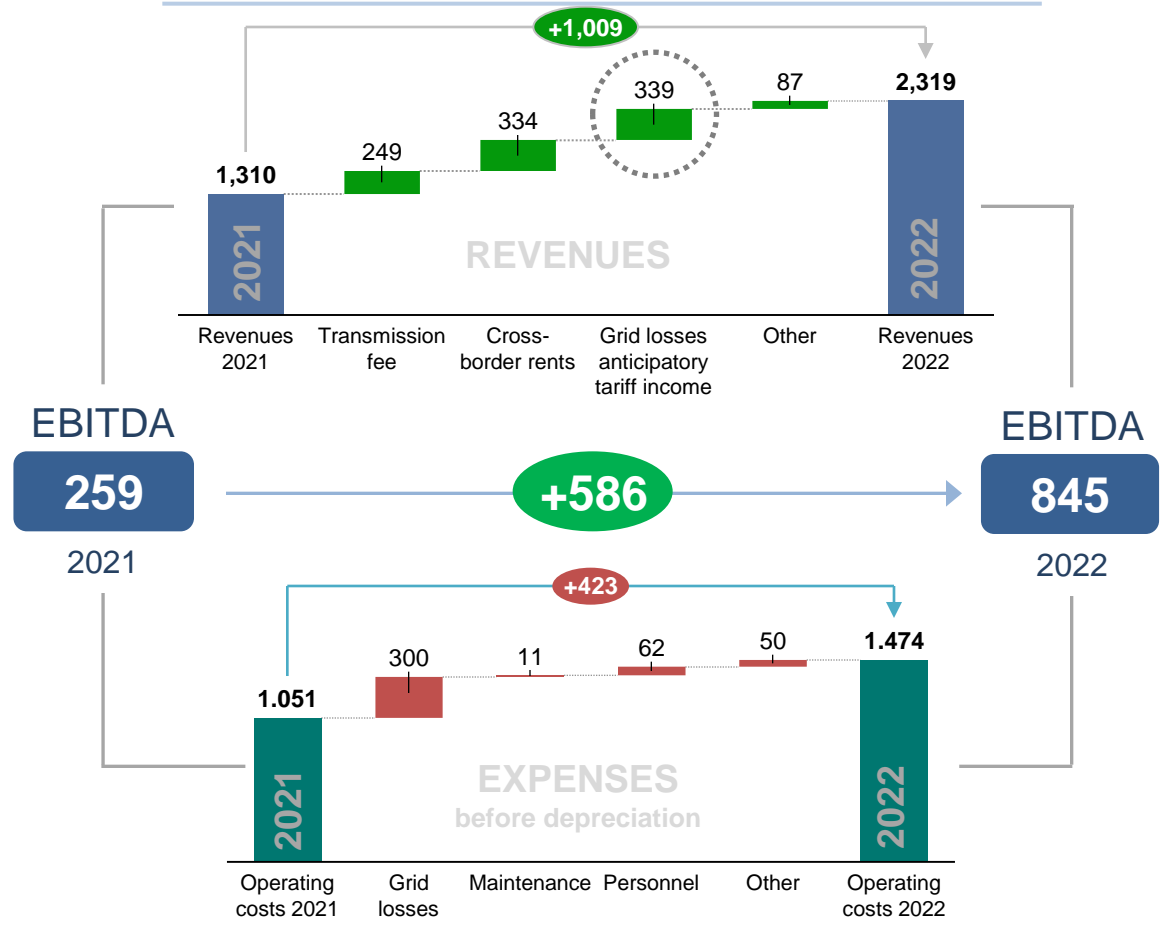


Chart unit: mil Lei



From EBITDA to Net income

FROM EBITDA TO NET INCOME

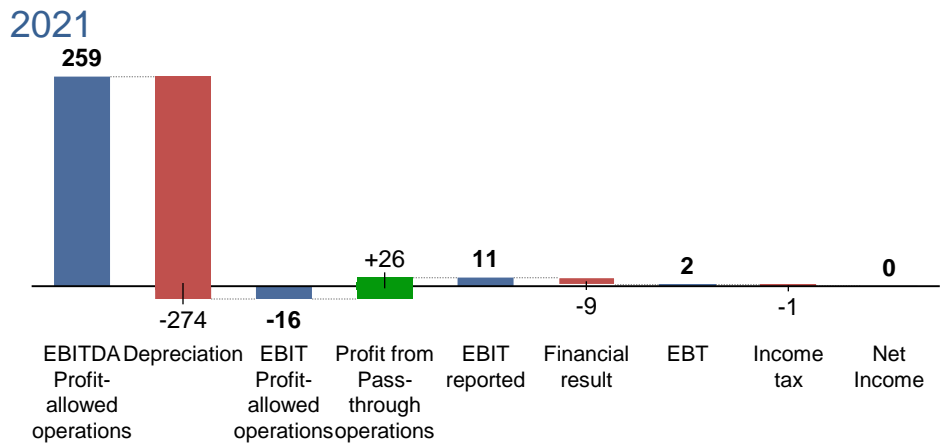
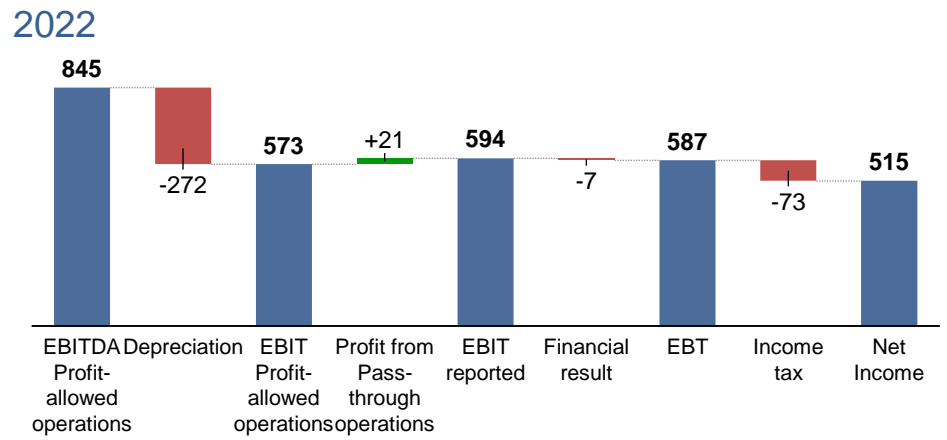
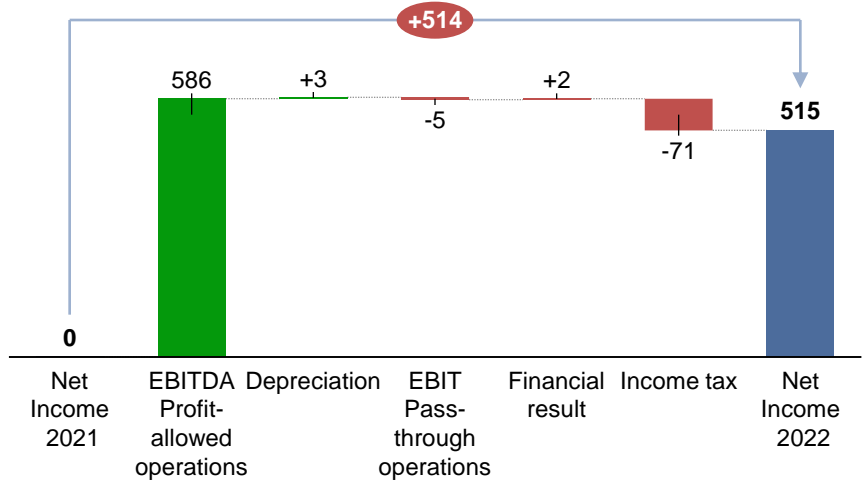


Chart unit: mil Lei

NET INCOME BREAKDOWN



MAIN DRIVERS BEHIND THE INCREASE IN NET INCOME

- ▲ EBITDA from core operations (transmission) mainly driven by:
 - (i) substantial increase in cross-border income
 - (ii) In 2022 the grid losses cost gap was bridged by accounting (non-cash) income to neutralize the massive negative impact rising energy prices would have otherwise had on the P&L as the transmission tariff lagged behind market prices - zero impact on EBITDA
- In 2021 the grid losses cost gap was unbridged hence a significant negative impact on EBITDA



Delivered in 2022

264
Lei m

New contracts

Total aggregate amount for contracts signed in 2022

Selected items:

- 116 mil lei - Modernization of Isaccea substation
- 77 mil lei - In-out connections of Isaccea-Varna(BG) and Isaccea-Dobrudja(BG) in Medgidia substation
- 48 mil lei - Metering data management system



453
Lei m

Capital expenditure

Amounts added to construction-work-in-progress in 2022

Selected items:

- 119 mil lei - New internal line Gutinas-Smardan
- 52 mil lei - New internal line Cernavodă - Stâlpu
- 27 mil lei - Modernization of Arefu substation



289
Lei m

Assets commissioned

Amounts transferred from construction-work-in-progress to fixed assets in 2022

Selected items:

- 59 mil lei - In-out connections of Isaccea-Varna(BG) and Isaccea-Dobrudja(BG) in Medgidia substation
- 54 mil lei - Modernization of Hadat substation
- 41 mil lei - Modernization of Iaz substation



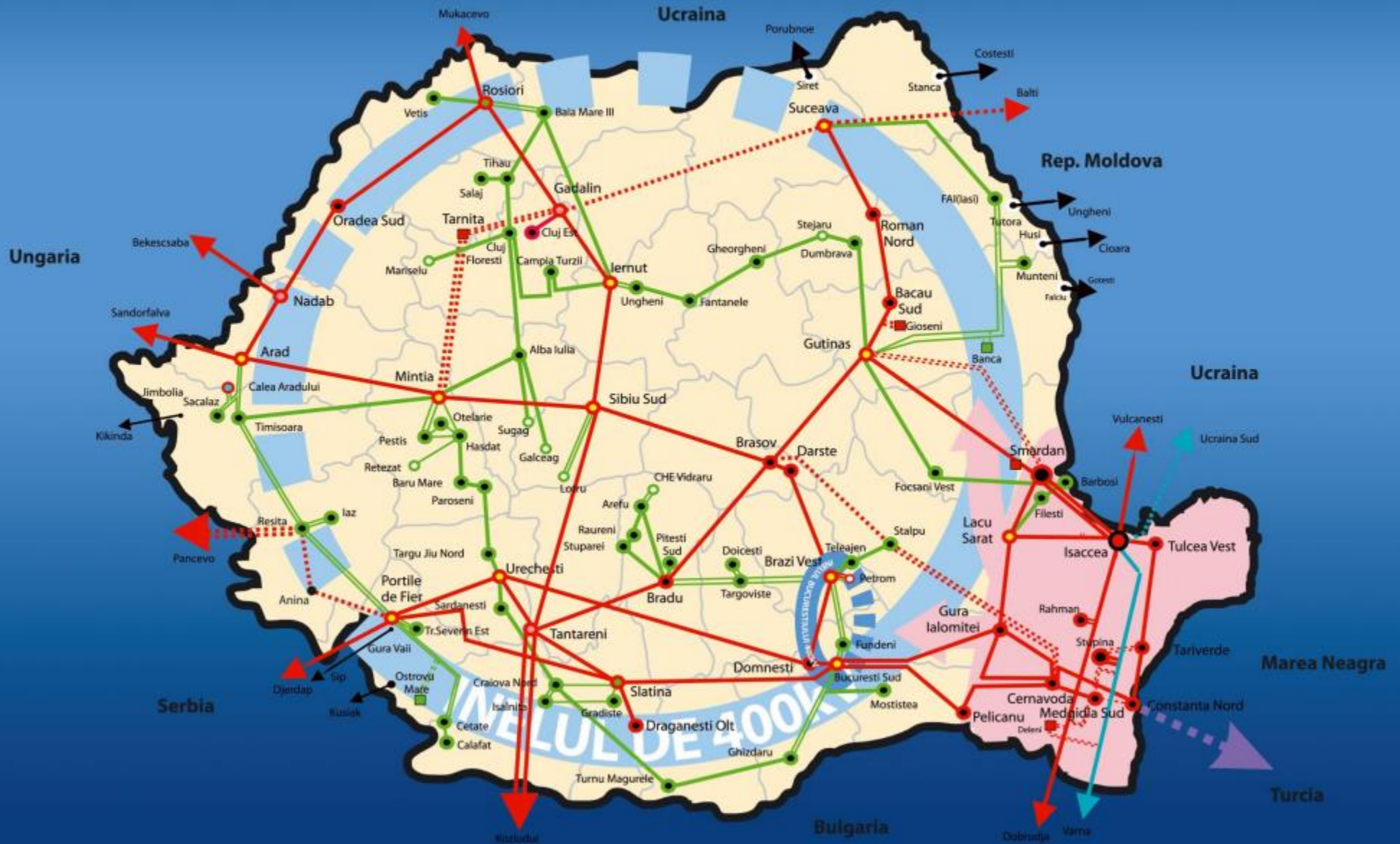
of which RAB: 271 Lei m



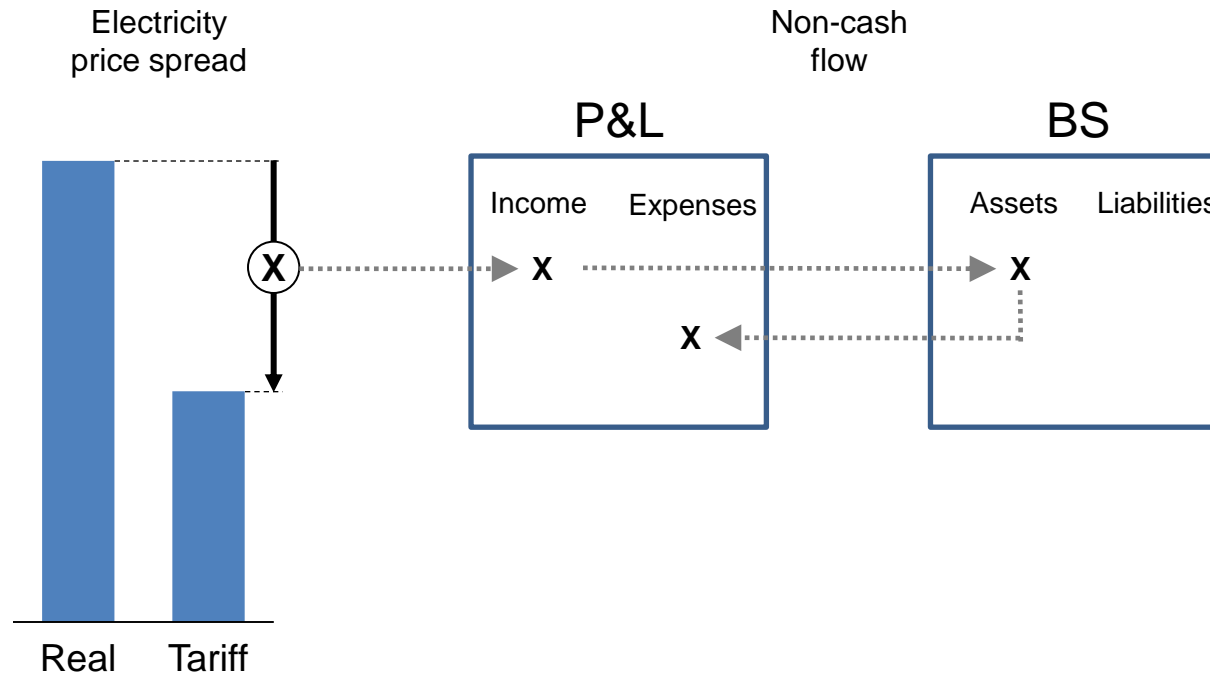
Q&A

Thank you for your attention!

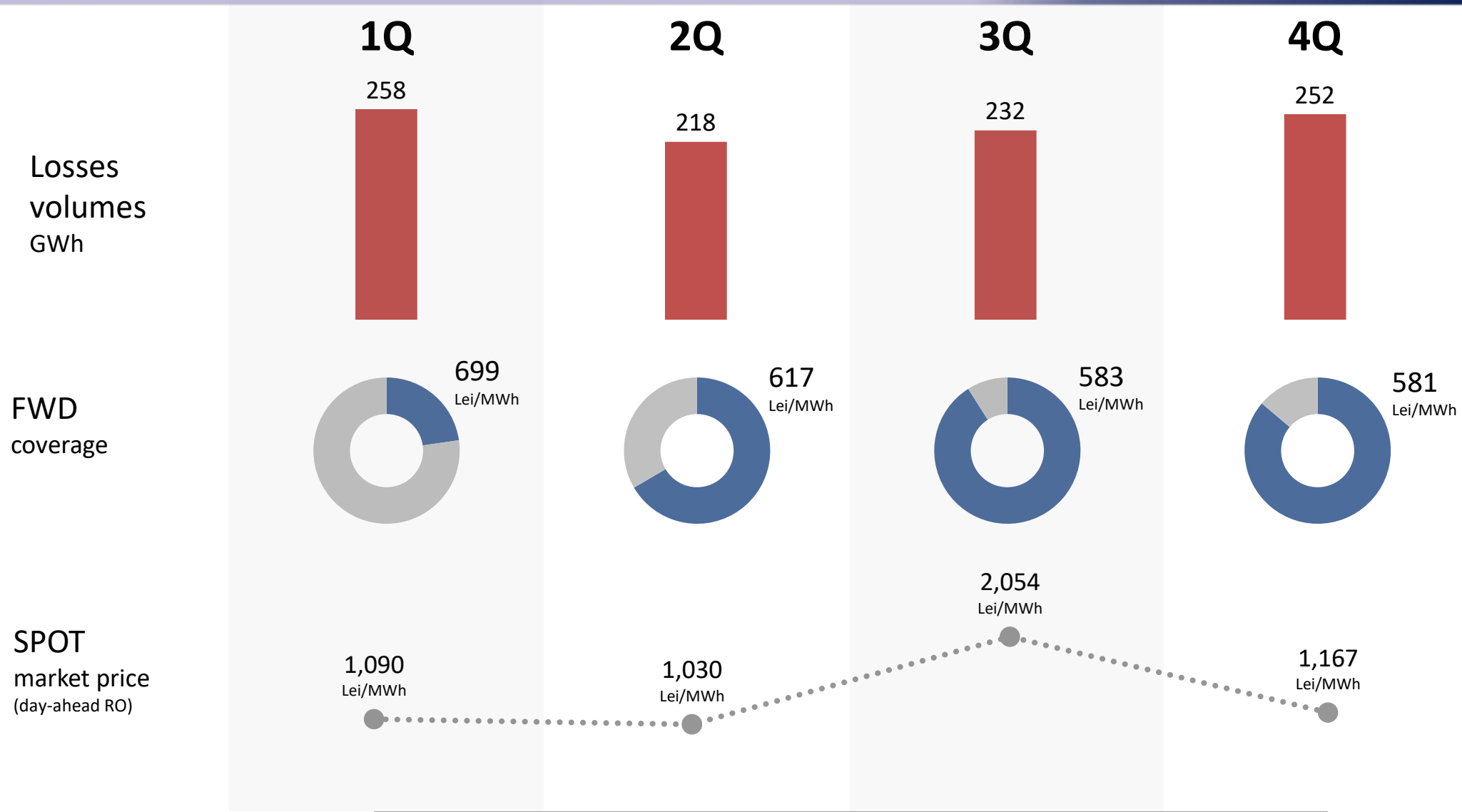
Romanian Electricity Transmission Network



[Lei m]	FY 2022 IFRS audited	FY 2021 IFRS audited		4Q 2022 IFRS unaudited	4Q 2021 IFRS unaudited		3Q 2022 IFRS unaudited	3Q 2021 IFRS unaudited		2Q 2022 IFRS unaudited	2Q 2021 IFRS unaudited		1Q 2022 IFRS unaudited	1Q 2021 IFRS unaudited						
Billed volume [TWh]	52.18	56.35	▼	7.4%	12.68	14.43	▼	12.1%	12.59	13.65	▼	7.7%	12.56	13.35	▼	6%	14.35	14.93	▼	4%
Profit-allowed operations																				
Operational revenues	2,319	1,310	▲	77.0%	579	358	▲	61.5%	883	317	▲	178.5%	426	302	▲	41%	431	333	▲	30%
Operational revenues Transmission	1,885	1,252	▲	50.5%	469	342	▲	37.1%	583	298	▲	95.9%	414	290	▲	43%	419	323	▲	30%
Operational revenues Transmission Regulated fee	1,401	1,152	▲	21.6%	356	294	▲	21.0%	351	278	▲	26.3%	351	274	▲	28%	343	306	▲	12%
Operational revenues Transmission Cross-border rents	399	65	▲	516.7%	85	32	▲	165.3%	188	12	▲	1460.3%	57	10	▲	448%	70	10	▲	570%
Operational revenues Transmission Other	85	36	▲	136.5%	28	16	▲	79.1%	44	8	▲	470.0%	6	6	▼	0%	7	7	▼	1%
Operational revenues Dispatching	45	1	▲	5358.6%	36	-11	▲	-	10	9	▲	10.8%	0	3	▼	99%	0	0	▼	90%
Operational revenues Dispatching Regulated fee	0	0	-	-	0	0	-	-	0	0	-	-	0	0	-	-	0	0	-	-
Operational revenues Dispatching Unplanned cross-border flows	0	1	▼	82.3%	0	-11	▲	-	0	9	▼	98.8%	0	3	▼	99%	0	0	▼	90%
Operational revenues Dispatching Emergency energy assistance to neighboring	45	0	▲	-	36	0	▲	-	10	0	▲	-	0	0	-	-	0	0	-	-
Operational revenues Other income	389	57	▲	582.7%	74	28	▲	169.2%	290	10	▲	2716.2%	12	9	▲	41%	13	10	▲	23%
Operational revenues Other income Grid losses anticipatory tariff income	339	0	▲	-	59	0	▲	-	279	0	▲	-	0	0	-	-	0	0	-	-
Operational revenues Other income Other income	50	57	▼	11.5%	15	28	▼	45.5%	10	10	▲	0.4%	12	9	▲	41%	13	10	▲	23%
Operational costs	1,474	1,051	▲	40.2%	393	364	▲	8.1%	367	266	▲	37.6%	338	210	▲	61%	377	211	▲	78%
Operational costs System operation	902	576	▲	56.4%	220	251	▼	12.3%	215	123	▲	74.9%	192	93	▲	106%	274	109	▲	152%
Operational costs System operation Grid losses	828	528	▲	56.8%	191	245	▼	21.9%	202	106	▲	89.9%	179	83	▲	117%	255	93	▲	173%
Operational costs System operation Congestion relief	0	2	▼	-	0	2	▼	-	0	0	▼	-	0	0	▲	-	0	0	▲	#####
Operational costs System operation Power consumption in grid substations	40	25	▲	61.1%	10	10	▲	0.6%	9	4	▲	105.5%	9	4	▲	109%	12	6	▲	96%
Operational costs System operation Inter-TSO-Compensation	34	19	▲	83.8%	19	6	▲	230.1%	5	4	▲	29.9%	5	4	▲	18%	6	5	▲	16%
Operational costs System operation Other	0	4	▼	99.2%	0	-11	▲	-	0	9	▼	-	0	3	▼	99%	0	4	▼	-
Operational costs Maintenance	108	97	▲	11.1%	30	32	▼	7.2%	37	28	▲	32.0%	23	22	▲	5%	18	15	▲	19%
Operational costs Personell	306	244	▲	25.4%	102	66	▲	55.0%	72	65	▲	10.5%	71	64	▲	11%	61	49	▲	24%
Operational costs Other	158	133	▲	18.8%	41	15	▲	179.4%	42	50	▼	16.0%	51	31	▲	68%	24	38	▼	37%
EBITDA	845	259	▲	226.5%	186	-6	▲	-	516	50	▲	922.4%	89	92	▼	4%	55	122	▼	55%
Operational costs Depreciation and amortization	272	274	▼	1.0%	78	78	▲	0.2%	65	66	▼	1.4%	65	66	▼	1%	63	64	▼	2%
EBIT	573	-16	▲	-	107	-84	▲	-	451	-15	▲	-	23	26	▼	11%	-8	58	▼	-
Pass-through operations																				
Operational revenues	3,967	2,445	▲	62.2%	823	1,115	▼	26.2%	1,397	543	▲	157.3%	947	394	▲	141%	799	393	▲	103%
Operational revenues System service	488	623	▼	21.6%	119	156	▼	23.8%	118	149	▼	20.9%	118	145	▼	19%	134	173	▼	23%
Operational revenues Balancing service	3,479	1,823	▲	90.9%	705	959	▼	26.6%	1,280	394	▲	224.6%	830	249	▲	234%	665	220	▲	202%
Operational costs	3,946	2,419	▲	63.1%	833	1,121	▼	25.7%	1,388	551	▲	151.8%	947	392	▲	141%	778	355	▲	119%
Operational costs System service	467	610	▼	23.5%	128	162	▼	21.0%	108	157	▼	30.9%	110	148	▼	26%	121	143	▼	15%
Operational costs Balancing service	3,480	1,810	▲	92.3%	705	959	▼	26.5%	1,280	395	▲	224.3%	838	244	▲	243%	657	212	▲	210%
EBIT	21	26	▼	20.6%	-10	-5	▼	80.9%	10	-8	▲	-	0	1	▼	91%	21	38	▼	46%
All operations (profit-allowed and pass-through)																				
Operational revenues	6,286	3,756	▲	67.4%	1,402	1,474	▼	4.8%	2,280	860	▲	165.1%	1,374	695	▲	98%	1,231	726	▲	69%
Operational costs	5,421	3,471	▲	56.2%	1,226	1,485	▼	17.4%	1,754	817	▲	114.6%	1,285	602	▲	113%	1,155	567	▲	104%
EBITDA	866	285	▲	203.7%	176	-11	▲	-	526	43	▲	1135.4%	89	94	▼	5%	75	160	▼	53%
Operational costs Depreciation and amortization	272	274	▼	1.0%	78	78	▲	0.2%	65	66	▼	1.4%	65	66	▼	1%	63	64	▼	2%
EBIT	594	11	▲	5521.5%	98	-89	▲	-	461	-23	▲	-	23	27	▼	15%	13	96	▼	87%
Financial result	-7	-9	▲	23.0%	-6	-6	▲	4.2%	2	-1	▲	-	-1	0	▼	33%	-2	-1	▼	52%
EBT	587	2	▲	31179.1%	92	-95	▲	-	462	-24	▲	-	23	27	▼	16%	11	94	▼	89%
Income tax	-73	-1	▼	4999.0%	4	15	▼	70.4%	-72	1	▼	-	-3	-4	▲	42%	-3	-12	▲	80%
Net Income	515	0	▲	114277.2%	96	-80	▲	-	390	-24	▲	-	20	22	▼	11%	8	82	▼	90%



Grid losses costs (2022) - Anticipatory tariff income (non-cash) accounting for future tariff increases over the next 5 years to compensate for the lagging cost recovery process (significant temporary under-recovery due to the gap between the regulatory price assumption embedded in the 2022 tariff and the real substantially higher 2022 market price).



TRANSELECTRICA S.A.**Web:****www.transelectrica.ro****Stock:****ISIN ROTSELACNOR9. Bloomberg TEL RO. Reuters ROTEL.BX****Post:****Olteni 2-4. Bucharest 3. Romania****E-mail:****relatii.investitori@transelectrica.ro****Tel:****+40 213035611****Fax:****+40 213035610****Executive Board****Gabriel Andronache****Chair (CEO)****Stefanita Munteanu****Member****Catalin Constantin Nadolu****Member****Florin Cristian Tataru****Member****Bogdan Toncescu****Member**



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