

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

Communicated in accordance with the provisions of Law 24/2017, ASF Regulation no. 5/2018 and the BVB Code

Report date: **16 August 2023**

Name of the issuing entity: **NPG Co. TRANSELECTRICA SA, Company managed by two-tier system**

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

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

Sole Registration Number: 13328043

Trade Register Number: J40/8060/2000

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

LEI Code: 254900OLXCOUQC90M036

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

Significant event to report: summary of financial results for the first half of 2023

Reporting includes:

- Unaudited Stand-alone Interim Simplified Financial Statements on 30 June 2023
- Unaudited Stand-alone Interim Consolidated Financial Statements on 30 June 2023
- Half-yearly report on the activity of NPG Co. "Transelectrica" S.A. for the period January-June 2023

Transelectrica's total operating revenues decreased by 16% compared to the same period of the previous year (2,200 million lei in H1 2023 compared to 2,604 million lei in H1 2022), in the context of the significant decrease in revenues from zero-profit activities.

Total operating expenses (including amortisation) decreased by 21% in H1 2023 compared to H1 2022, influenced by lower costs in the energy market.

The costs with the acquisition of energy to cover own technological consumption (OTC) were 261 million lei, 40% lower (-173 million lei) compared to H1 2022, mainly influenced by the provisions of art.23[^]1 of GEO no.153/2022.

Thus, on 30 June 2023, the company recorded a net profit of 162 million lei.

Compared to the same period of the previous year the total amount of electricity transmitted in H1 2023 decreased by approximately 1.9 TWh (24.97 TWh in H1 2023 compared to 26.90 TWh in H1 2022).

The Company's management employs a cautious approach towards reducing Transelectrica's costs, taking into account the most significant factors to ensure there will be no economic losses. One of the main concerns of the Company's Management is the continuous consolidation and expansion of the transmission infrastructure, by upgrade using cutting-edge technologies, thus ensuring the necessary conditions for the electricity transmission network to meet current and future market requirements.

Segment of activities with allowed profit: On the main area of core activities (transmission and SEN dispatching) there was a 16% increase in revenues (993 million lei in H1 2023 compared to 858 million lei in H1 2022) increase mainly due to interconnection revenues and transmission revenues, as operational costs (including amortisation) were reduced.

The significant increase in interconnection revenues (181 million lei in H1 2023 compared to 127 million lei in H1 2022) is due to the increase in the unit price of electricity across the European Union which has led to a considerable price difference between the coupled markets coinciding with a deficit of energy recorded at the European level.

In H1 2023, no revenues were recorded from capitalisation of additional costs related to the acquisition of electricity to cover CPT as the net costs incurred were below the level of costs included in the approved tariffs.

Transelectrica acquired electricity to cover approximately 75% of the quantity of the CPT forecast validated by the centralised electricity acquisition mechanism (MACEE), at a regulated acquisition price. The measures taken at European level to make energy consumption more efficient, the replacement of Russian gas, the reduction of demand in the industrial area, as well as the increase in the share of wind energy, in the context of an atypically

warm winter, led to a decrease in the consumption of quantities traded on the short-term markets by more than 35% and in energy prices on these markets. Thus, the average price of energy acquired from the DAM in H1 2023 was around 50% lower than the price in the similar period of 2022, though still higher than prices in preceding years.

The segment of zero-profit activities reported a negative result of 41 million lei, lower than that recorded in the same period of the previous year. The regulatory framework specific to zero-profit activities contains regularization mechanisms that ensure the compensation for excess or deficit of revenues compared to the level of expenses required for conducting the respective activities.

Indicators	U.M.	H1 2023	H1 2022	Δ
Financial				
Quantity charged	[TWh]	24.97	26.90	▼ 7%
ALLOWED PROFIT ACTIVITIES				
Average transmission tariff (realised)	[lei/MWh]	29.93	25.79	▲ 16%
Operational revenue, of which	[mil lei]	993	858	▲ 16%
Revenue regulated transmission tariff	[mil lei]	748	694	▲ 8%
Interconnection revenue	[mil lei]	181	127	▲ 43%
Operational expenses, of which:	[mil lei]	608	714	▼ 15%
Expenses on CPT	[mil lei]	261	434	▼ 40%
EBITDA	[mil lei]	385	143	▲ n/a
Amortisation	[mil lei]	167	128	▲ 30%
EBIT	[mil lei]	218	15	▲ n/a
ZERO PROFIT ACTIVITIES				
EBIT	[mil lei]	(41)	21	▼ n/a
ALL ACTIVITIES (with Allowed Profit and Zero Profit)				
EBIT	[mil lei]	177	36	▲ n/a
Net profit	[mil lei]	162	28	▲ n/a
Operational				
Net domestic consumption	[TWh]	25.4	27.8	▼ 8%
Net domestic production	[TWh]	28.3	27.0	▲ 5%
Net export(-)/ Net import (+)	[TWh]	-2.9	0.7	▼ n/a

In H1 2023, electricity consumption at SEN level recorded monthly decreases ranging from a maximum of 12% in January to a minimum of 6% in February. The decrease in consumption was largely influenced by monthly average temperatures, which recorded positive anomalies and were generally above climatological norms.

Compared to H1 2022, in H1 2023 there was an overall increase in export capacity usage, i.e. an increase in export trade and energy in transit, amid high hydroelectricity and lower domestic electricity consumption compared to the same period in 2022.

Simultaneously, on 29 June 2023 Transelectrica inaugurated the refurbishment of the 220/110/20 kv Ungheni Transformer Station with a total investment of more than 10 million euros from the company's funds.

The Report on the Company's operations for the period January-June 2023 along with the Stand-alone Interim Simplified Financial Statements on June 30, 2023, are available as of August 16, 2023, as follows:

- online, on the website www.transelectrica.ro, section Investor Relations Periodic Reports / Reports, respectively <https://www.transelectrica.ro/ro/web/tel/rapoarte-2023>;
- at the Company's headquarters: str. Olteni nr. 2-4, sector 3, Bucharest.

Ștefăniță MUNTEANU
Directorate Chairman

Bogdan TONCESCU
Directorate Member