

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

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

Date of the communique: **15 May 2019**

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 / ... 021 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 for quarter I 2019

The report includes:

- Quarterly report on the activity of NPG Transelectrica SA during January-March 2019
- Intermediate stand-alone financial statements unaudited on 31 March 2019

In Q1 2019, Transelectrica experienced an improvement in profitability for profit-allowed activity, as compared to Q1 2018.

Profit-Allowed Segment: In the main area of core activities (National Power System transmission and dispatching) in Q1 2019, the company achieved better financial results compared to Q1 2018. The EBIT operational profit (profit before income tax and interest) was higher by RON 17 mn (+ 31%) compared to the previous year.

Transmission income grew by +6% amid the higher transmission tariff (+ 7%) in Q1 2019 as compared to Q1 2018 and an increase in revenues from cross-border transmission capacity sales, these increases fully absorbing the decrease of national power consumption, reflecting in lower billed quantities (-2%).

Q1 2019 was a difficult one, characterized by high operating costs of the transmission system, particularly the costs of power procurement to compensate for technical losses in the grid (OTC). Despite the fact that the physical level of technical losses was lower than in the previous year (technical loss percentage 2.35% Q1 2019 versus 2.83% in Q1 2018), total power procurement costs were significantly higher (+RON 14 mn representing +21%) amid a substantial increase in the price of energy on the wholesale market (the average price paid by Transelectrica was over 50% higher, from RON 194 mn/MWh in Q1 2018 to RON 299 mn/MWh in Q1 2019).

Zero-Profit Segment: Q1 2019 recorded a temporary financial loss of – RON 28 mn versus temporary profit + RON 27 mn registered in Q1 2018. Thus, in Q1 2019, the revenues from technological system services were lower compared to the expenses related to the purchase of technological system services. Revenues from technological system services registered a decrease due to the decrease in the amount of electricity delivered to consumers and the tariff approved by ANRE for these services.

	M.U.	Q1 2019	Q1 2018	Δ
Financial				
Charged energy volume	[TWh]	14,68	15,00	▼ 2%
PROFIT ALLOWED ACTIVITIES				
Total revenues	[RON mn]	317	300	▲ 6%
Average transmission tariff (achieved)	[RON/MWh]	18,03	16,85	▲ 7%
Transmission revenues and from other activities on the energy market	[RON mn]	290	272	▲ 7%
EBITDA	[RON mn]	144	130	▲ 10%
Amortisement	[RON mn]	72	76	▼ 4%
EBIT	[RON mn]	72	55	▲ 31%
ZERO PROFIT ACTIVITIES				
EBIT	[RON mn]	(28)	27	▼ 205%
ALL ACTIVITIES (PROFIT ALLOWED AND ZERO PROFIT)				
EBIT	[RON mn]	44	82	▼ 47%
Net profit	[RON mn]	38	68	▼ 44%
Operational				
Net internal consumption	[TWh]	15,3	15,6	▼ 2%
Net internal production	[TWh]	15,0	16,8	▼ 11%
Export	[TWh]	1,1	1,7	▼ 38%

The report about the activities of NPG Transelectrica SA in January-March 2019 and the Stand-alone interim non-audited financial statements of 31 March 2019 are available beginning with 15 May 2019.

- online, on the website www.transelectrica.ro, section Investor Relations Periodical Reports/Reports, namely <https://www.transelectrica.ro/rapoarte-2018>;
- at Company offices: str. Olteni 2-4, Bucharest 3;

Marius Danut CARASOL
Executive Director General
Directorate Chairman

Claudia-Gina ANASTASE
Directorate Member