

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

Communique according to the provisions of Law 24/2017, Regulation 5/2018 of ASF and the BVB Code

Report date: **August 14, 2019**

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

Headquarters: Boulevard Gheorghe Magheru 33, Bucharest 1

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

Phone / fax numbers: 021 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 Lei

LEI code: 254900OLXCOUQC90M036

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

Reporting includes:

- Semestrial report about the activities of NPG Transelectrica SA in January-June 2019
- Stand-alone interim simplified financial statements non-audited on 30 June 2019
- Consolidated Interim Financial Statements as of for the six months' period ending on 30 June 2019

Important event to report: – Summary of financial results from semester I 2019

In semester 1 2019 Transelectrica registered improvement in terms of profitability for profit allowed activities compared to semester 1 2018.

Segment of profit-allowed activities: In the area of main business (transmission and SEN dispatching) in H1 2019 the Company obtained better financial results in comparison with H1 2018. The operational profit EBIT (profit before income tax and interest) was 18 mill Lei (+23%) higher than in the same period of last year.

Transmission revenues and other activities on the energy market registered +9% increase against a background of (+7%) higher transmission tariff achieved in H1 2019 compared to H1 2018 and RON+12.3 mn growth of interconnection revenues, such increases fully absorbing the nation-wide decrease of electricity consumption, which was mirrored in smaller billed quantities (-0.1%).

The context of H1 2019 was difficult, characterised by higher costs for transmission system operation, especially the electricity procurement costs to compensate technical losses in the grid (OTC). Despite a lower physical level of technical losses compared to last year (2.38% technical losses in H1 2019 compared to 2.76% in H1 2018), total energy procurement costs were significantly higher (RON +23.6 mn representing +19%) against a substantial energy price increase on the wholesale market (the total average procurement price was 41% higher, from 198 Lei/MWh in H1 2018 to 279 Lei/MWh in H1 2019).

Segment zero profit activities: H1 2019 registered RON -58 mn temporary financial loss against the profit of RON +33 mn registered in H1 2018. Thus in semester I 2019 revenues from technological system services were lower in comparison with the expenses made regarding procurement of technological system services. The decrease is determined by a diminished tariff approved by ANRE for such services, but also by greater expenses regarding technological system services when procurement prices increased for such services on the competitive market, for the frequency restoration reserve and the replacement reserve, in comparison with the same period last year.

	M.U.	H1 2019	H1 2018	Δ
Financial				
Billed quantity	[TWh]	27.92	27.96	▼ 0.1%
PROFIT ALLOWED ACTIVITIES				
Total revenues	[RON mn]	609	560	▲ 9%
Average transmission tariff (achieved)	[Lei/MWh]	18.05	16.81	▲ 7%
Transmission revenues and other activities on the energy market	[RON mn]	552	505	▲ 9%
EBITDA	[RON mn]	239	230	▲ 4%
Amortisement	[RON mn]	142	151	▼ 6%
EBIT	[RON mn]	97	79	▲ 23%
ZERO PROFIT ACTIVITIES				
EBIT	[RON mn]	(58)	33	▼ n/a
ALL ACTIVITIES (PROFIT ALLOWED AND ZERO PROFIT)				
EBIT	[RON mn]	40	112	▼ 65%
Net profit	[RON mn]	30	98	▼ 69%
Operational				
Net internal consumption	[TWh]	29.0	29.1	▼ 1%
Net internal output	[TWh]	29.4	30.7	▼ 4%
Export	[TWh]	2.5	2.8	▼ 11%

The report on the activities of NPG Transelectrica SA in January-June 2019, the Stand-alone interim simplified financial statements of 30 June 2019 and Consolidated Interim Financial Statements are available beginning with 14 August 2019.

• Online on the website www.transelectrica.ro, section Investor Relations Periodical Reporting / Reports, namely <https://www.transelectrica.ro/rapoarte-2019>;

• At the Company's offices: Str. Olteni 2-4, Bucharest 3

Marius Danut CARASOL
Executive Director General
Directorate Chairman

Claudia-Gina ANASTASE
Directorate Member