

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

Communiqué as per the provisions of Law 24/2017, ASF Regulation 5/2018 and the BSE Code

Date of the communiqué: **November 14, 2022**

Name of Issuer Company: **NPG Co. TRANSELECTRICA SA, company managed under two-tier system**

Headquarters: Bucharest, 3, Olteni 2-4

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 RON

LEI code: 254900OLXCOUQC90M036

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

Important event to report:

Summary of financial results from the third quarter of 2022

The report includes:

- Stand-alone Interim Simplified Financial Statements not audited on 30 September 2022
- Quarterly report on the activity of NPG Co. Transelectrica SA during January-September 2022

Total operational revenues for the period January-September 2022 increased by 114% compared to the same period of the previous year (RON 4,884 mn in 9M 2022 compared to RON 2,282 mn in 9M 2021), mainly determined by the transmission and interconnection revenues in the context of the decrease of electricity quantity delivered to consumers, as well as the significant increase in revenues from the balancing market.

Total operational expenses (including depreciation) also registered a significant increase compared to the same period of the previous year, RON 4,388 mn in 9M 2022 compared to RON 182 mn in 9M 2021, mainly determined by the increase in the average price of electricity.

Segment of profit allowed activities: The main area of basic activities registered an increase of ▲83% in revenues which exceeded the increase of ▲44% in operational expenses (including amortisation) determined by the increase in transmission tariff revenue approved by ANRE, the increase in interconnection revenue as well as the recognition of revenue from the capitalisation of one's technological consumption (OTC) according to the new legal provisions. According to GEO no. 119/2022 amending and supplementing GEO no. 27/2022 the additional costs with the procurement of electricity made in 1 January 2022 to 31 August 2023 to cover OTC, compared to the costs included in the regulated tariffs, are capitalised and the assets resulting from capitalisation are amortised over a period of 5 years.

Thus, as of September 30, 2022, the Company registered revenues from OTC capitalization in the amount of RON 279 mn, representing additional OTC calculated as the difference between the net cost of OTC procurement and the cost of OTC included in the regulatory tariff, for January 1 to September 30, 2022.

The expenses with the procurement of energy to cover one's technological consumption (OTC) are in the amount of RON 636 mn in the first 9M of 2022, RON 354 mn higher than in the previous year (+121%), significantly exceeding the values registered in recent years.

Despite a very difficult year and difficulties in the first 9M 2022, when energy prices were considerably higher across the European Union, a situation also exacerbated by the conflict in Ukraine, the company met all its financial liabilities.



Transelectrica®
Societate Administrată în Sistem Dualist

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Cod Unic de Inregistrare 13328043. Telefon +4021 303 56 11, Fax +4021 303 56 10
Capital subscris și vărsat: 733.031.420 Lei
www.transelectrica.ro

Segment of zero profit activities: The basic area of zero-profit activities, registered more than a twofold increase in revenues and expenses in the balancing market in the first 9M of 2022 compared to 9M 2021. According to ANRE's regulations, non-zero monthly balances (revenue surpluses) resulting from such activities will be compensated by ex-post tariff correction (negative correction) applied by ANRE to the tariff in the years following that when such balances were registered.

In January-September 2022, electricity consumption at the SEN level decreased in all nine calendar months. This was influenced on the one hand by the increase in primary fuel prices, which was reflected in the final price of electricity, and on the other hand by the average monthly temperatures, which systematically recorded positive anomalies, being above climatological norms.

Indicators	M.U.	9M 2022	9M 2021	Δ
Financial				
Charged energy volume	[TWh]	39,50	41,93	▼ 5,8%
PROFIT-ALLOWED ACTIVITIES				
Average transmission tariff (achieved)	[RON/MWh]	26,46	20,45	▲ 29%
Total revenue, of which:	[RON mn]	1.740	952	▲ 83%
Regulated transmission tariff revenues	[RON mn]	1.045	858	▲ 22%
Interconnection revenue	[RON mn]	315	33	n/a
Revenue from OTC capitalisation	[RON mn]	279	0	n/a
Total expenses, of which:	[RON mn]	1.081	687	▲ 57%
OTC Expenses	[RON mn]	636	282	▲ 125%
EBITDA	[RON mn]	659	264	▲ 149%
Depretiation	[RON mn]	193	196	▼ 2%
EBIT	[RON mn]	466	68	n/a
ZERO PROFIT ACTIVITIES				
EBIT	[RON mn]	30	32	▼ 4%
ALL ACTIVITIES (Profit-Allowed and zero Profit)				
EBIT	[RON mn]	496	100	n/a
Net profit	[RON mn]	418	81	n/a
Operational				
Net internal consumption	[TWh]	40.7	43.4	▼ 6%
Net internal production	[TWh]	39.4	42.5	▼ 7%
Net import	[TWh]	1.3	1.0	▲ 36%

The Report about the activities of NPG Co. Transelectrica SA in January-September 2021 and the Stand-alone Interim Financial Statements as of September 30, 2022, are available beginning with November 14, 2022, as follows:

- online, on the website www.transelectrica.ro, section Investor Relations Periodical Reports/Reports, namely <https://www.transelectrica.ro/rapoarte-2022>;
- at Company offices: str. Olteni nr. 2-4, Bucharest 3.

Gabriel ANDRONACHE
Executive Director General

Florin-Cristian TĂTARU
Directorate Member