



Transelectrica®
Societate Administrată în Sistem Dualist

The National Power Grid Company Transelectrica
Registered Office: 2-4 Oiteni Street Bucharest, District 3, 030786, Romania
Trade Register Number J40/8060/2000, Single Registration Code 13328043
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Share capital subscribed and paid: 733.031.420 Lei www.transelectrica.ro

To: Bucharest Stock Exchange - Regulated Market Issuers Operations Department Financial Supervision Authority - General Supervision Directorate - Issuers Directorate

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

Date of the communiqué: **May 15, 2023**

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

Headquarters: Bucharest, 3, Oiteni 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 related to Q1 2023

Reporting includes:

- Unaudited Stand-alone Interim Simplified Financial Statements as of March 31, 2023
- The report on the activity of NPG "Transelectrica" S.A. between January and March 2023

The segment of activities with permitted profit registered a 16% increase in revenues (499 million RON in Q1 2023 compared to 431 million RON in Q1 2022) mainly from interconnection revenues, as well as transportation service revenues.

The significant increase of revenues from the allocation of interconnection capacity (RON 102 mn in Q1 2023 compared to RON 70 mn in Q1 2022) was determined by the use level of interconnection availabilities and by the unit price of electricity which has increased throughout the European Union, causing a large price difference between the coupled markets. The interconnection capacity allocation mechanism consists of organizing annual, monthly, daily and intraday tenders (borders with Serbia, Ukraine and borders with Hungary and Bulgaria). The use of net revenues from the allocation of interconnection capacity is carried out in accordance with the provisions of ANRE Order no. 171/2019 updated and EU Regulation no. 943 of June 5, 2019 regarding the internal electricity market, as a source of investment financing for the modernization and development of interconnection capacity with neighboring systems.

In Q1 2023, no income was recorded from the capitalization of additional costs with the purchase of electricity to cover Grid Losses, since the net costs realized were below the level of the costs included in the approved tariffs. The costs of purchasing energy to cover Grid Losses amounted 147 million RON, lower by 42% (-108 million RON) compared to Q1 2022, mainly influenced by the provisions of art. 23[^]1 of GEO no. 153/2022.

Transelectrica purchased electricity to cover 75% of the quantity related to the Grid Losses forecast validated by the Centralized Electricity Purchase Mechanism (MACEE), at a regulated purchase price. The provisions of GEO 153/2022 were also applied to the other grid operators, which led to a drop in the quantities traded on short-term markets and in energy prices on these markets. Thus, the average price of the energy purchased from PZU/PI in the first quarter was 38% lower compared to the price in the similar period of 2022, still remaining higher compared to the average purchase price recorded during 2020, 2021.

The segment of **zero-profit activities** recorded a negative result of -9 million RON, down from the one recorded in the same period last year. The specific regulatory framework for zero-profit activities

contains regularization mechanisms that ensure the compensation of the excess or deficit of revenues compared to the level of expenses necessary for the performance of the respective activities.

On March 30, 2023, the re-engineering process of the 220/110 kV Iaz Electric Power Station (Caraş-Severin county) was completed, with an investment of approximately 62 million RON, from own funds.

The 220/110 kV Iaz Electric Transformation Station represents a connection node within the SEN through the connected 220 kV lines, being an important objective for the operation of the power system and for the supply of electricity in the western part of the country.

Indicators	M.U.	Q1 2023	Q1 2022	Δ
Charged energy volume				
PROFIT-ALLOWED ACTIVITIES	[TWh]	13.01	14.35	▼ 9%
Average transmission tariff (achieved)				
Total revenue, of which:	[RON/MWh]	28.29	23.89	▲ 18%
<i>Regulated transmission tariff income</i>	[RON mn]	499	431	▲ 16%
<i>Interconnection revenue</i>	[RON mn]	368	343	▲ 7%
Charged energy volume	[RON mn]	102	70	▲ 47%
Total expenses, of which:	[RON mn]	312	377	▼ 17%
<i>Grid losses Expenses</i>	[RON mn]	147	255	▼ 42%
EBITDA	[RON mn]	187	55	n/a
Depreciation	[RON mn]	82	63	▲ 31%
EBIT	[RON mn]	105	(8)	n/a
ZERO PROFIT ACTIVITIES				
EBIT	[RON mn]	(9)	21	n/a
ALL ACTIVITIES (Profit-Allowed and Zero Profit)				
EBIT	[RON mn]	96	13	n/a
Net profit	[RON mn]	80	8	n/a
Operational				
Net internal consumption	[TWh]	13.3	14.8	▼ 10%
Net internal production	[TWh]	14.7	14.1	▲ 4%
Export net(-)/ Import net (+)	[TWh]	-1.4	+0.6	n/a

In the first quarter of 2023, electricity consumption at the SEN level recorded decreases in all three calendar months with values between a maximum of 12% in January and a minimum of 6% in February.

The decrease in consumption was largely influenced by the average monthly temperatures, which registered positive anomalies, generally being above the climatological norms.

Compared to the first quarter of 2022, there was generally an increase in the degree of utilization of the capacity allocated to export, respectively an increase in export trade and transited energy, in the context of higher hydraulics.

The Report on the Company's activity from January to March 2023 and the Stand-alone Interim Simplified Financial Statements as of March 31, 2023, are available as of May 15, 2023, as follows:

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

Ștefăniță MUNTEANU
Executive Director General

Florin-Cristian TĂTARU
Directorate Member