



Transelectrica SA

Transmission and System Operator
of the Romanian Electrical Power System

We lead the power

Financial results

1H 2023

(01.01.2023 – 30.06.2023)

unconsolidated accounts



Purpose, disclaimer and other cautionary statements

DOCUMENT PURPOSE:

This presentation has been prepared with the sole intention to facilitate the understanding of Transelectrica's operational and financial results by the general investing public (shareholders, creditors, analysts, financial media). Therefore it is of a purely informative nature. **This presentation is not an offer, invitation or a recommendation to trade in securities issued by the Company.** The detailed financial statements and the full reports prepared in accordance with capital market regulations are available online at www.transelectrica.ro.

FINANCIAL NUMBERS (preliminary):

reporting period: 1st January 2023 – 30th June 2023

reporting standard: International Financial Reporting Standards (IFRS)

basis/scope: standalone (unconsolidated)

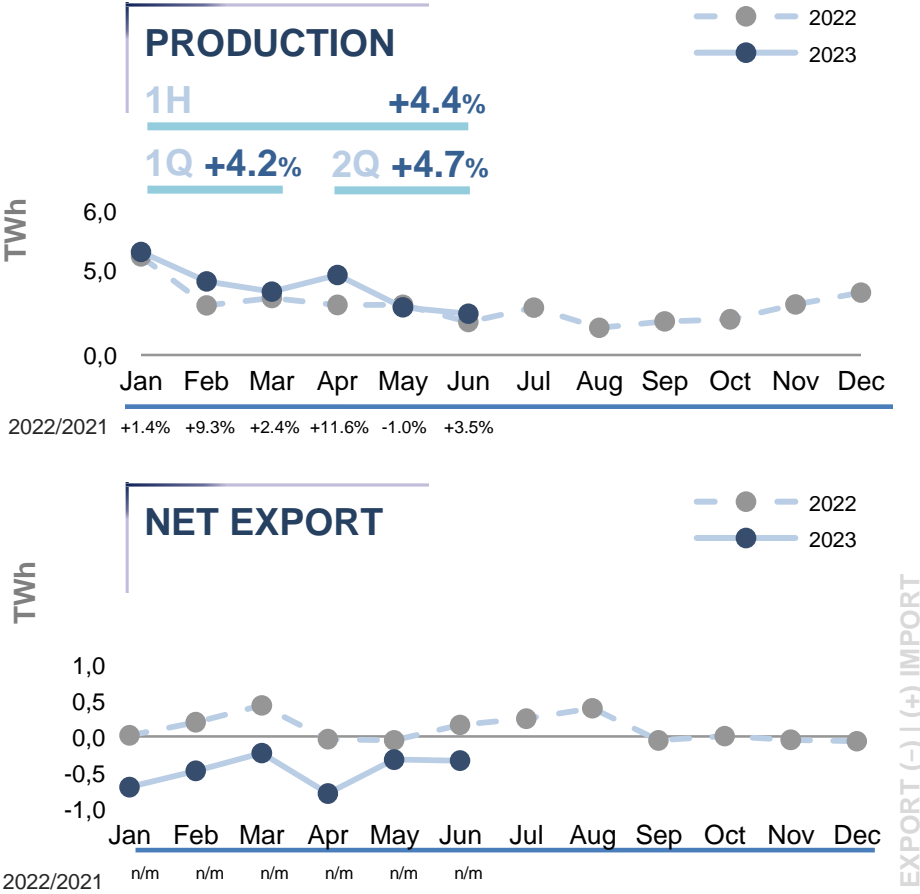
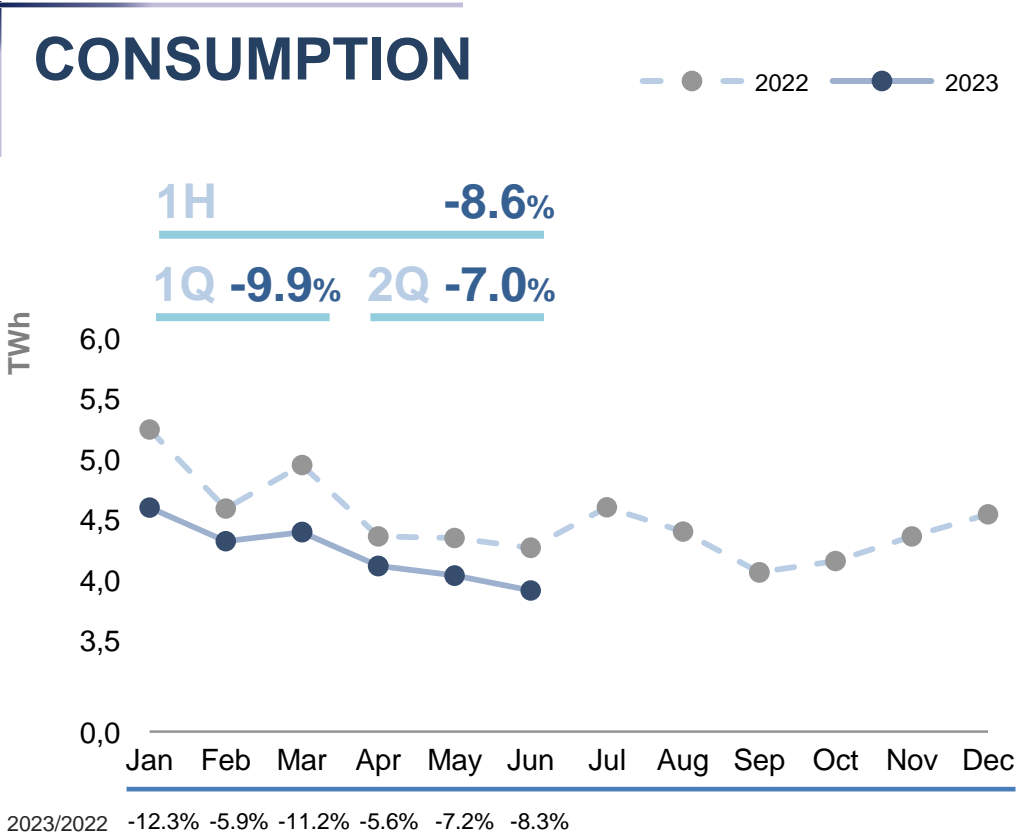
external audit: unaudited

rounded numbers: for ease of reading, certain figures used in this presentation (tables and charts) are displayed in millions and rounded to such unit or to one or two decimals. In some cases this leads to minor differences between totals and the sum of the individual elements (rounding errors)

LANGUAGE DISCLAIMER:

This document represents the English-language version of the original Romanian-language document. The English version has been created for English readers' convenience. Reasonable efforts have been made to provide an accurate translation, however, discrepancies may occur. The Romanian version of this document is the original official document. If any questions arise related to the accuracy of the information contained in the English version, please refer to the Romanian version of the document.

Domestic demand -8.6% y.o.y.
Domestic production +4.4% y.o.y.



Consumption and generation numbers do not include power plants' own electricity consumption. Consumption includes (i) energy losses in transmission and distribution networks, and (ii) consumption for hydro pumped storage. Cross-border net flow is calculated based on physical flows (import-export).

Operations | Revenues

Operational revenues

ALL OPERATIONS PROFIT-ALLOWED OPERATIONS

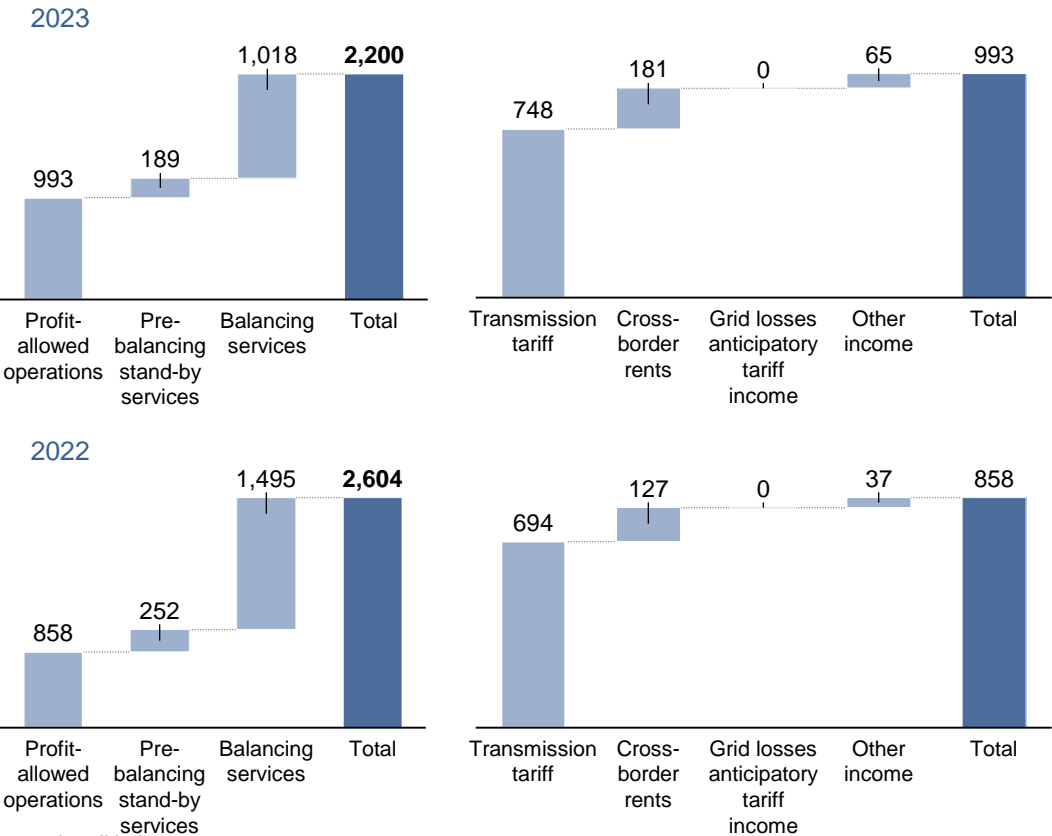
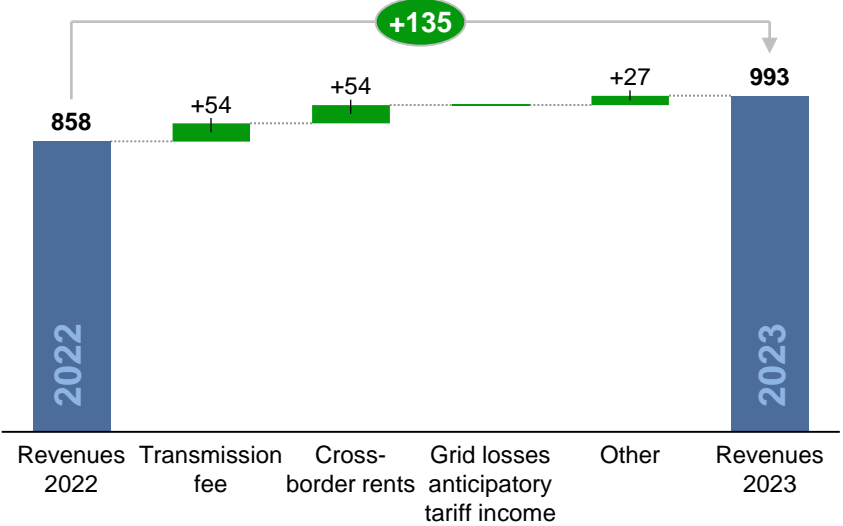


Chart unit: mil Lei

Operational revenues

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



- DRIVERS BEHIND THE INCREASE IN REVENUES**
- ▲ Higher cross-border capacity income (high market demand for cross-border trading)
 - ▲ Higher transmission tariff (+16%) offsetting lower volume (-7%)
 - ▲ Higher income from the sale of energy in the spot and balancing markets (excess energy purchased to offset grid losses)

Operations | Costs

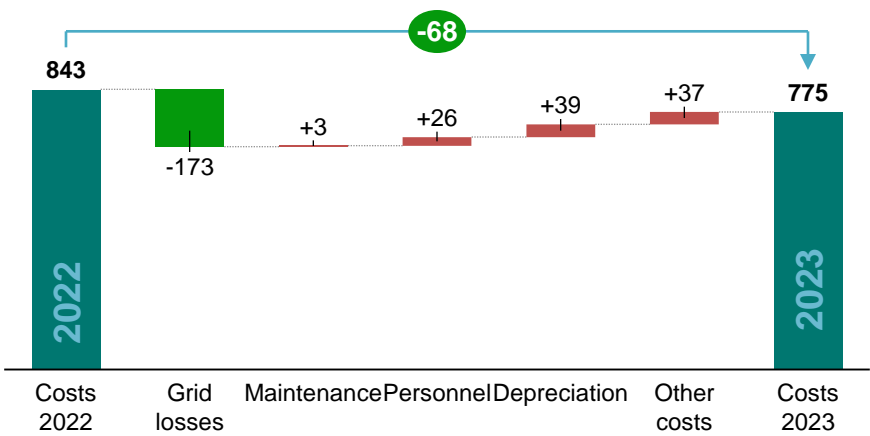
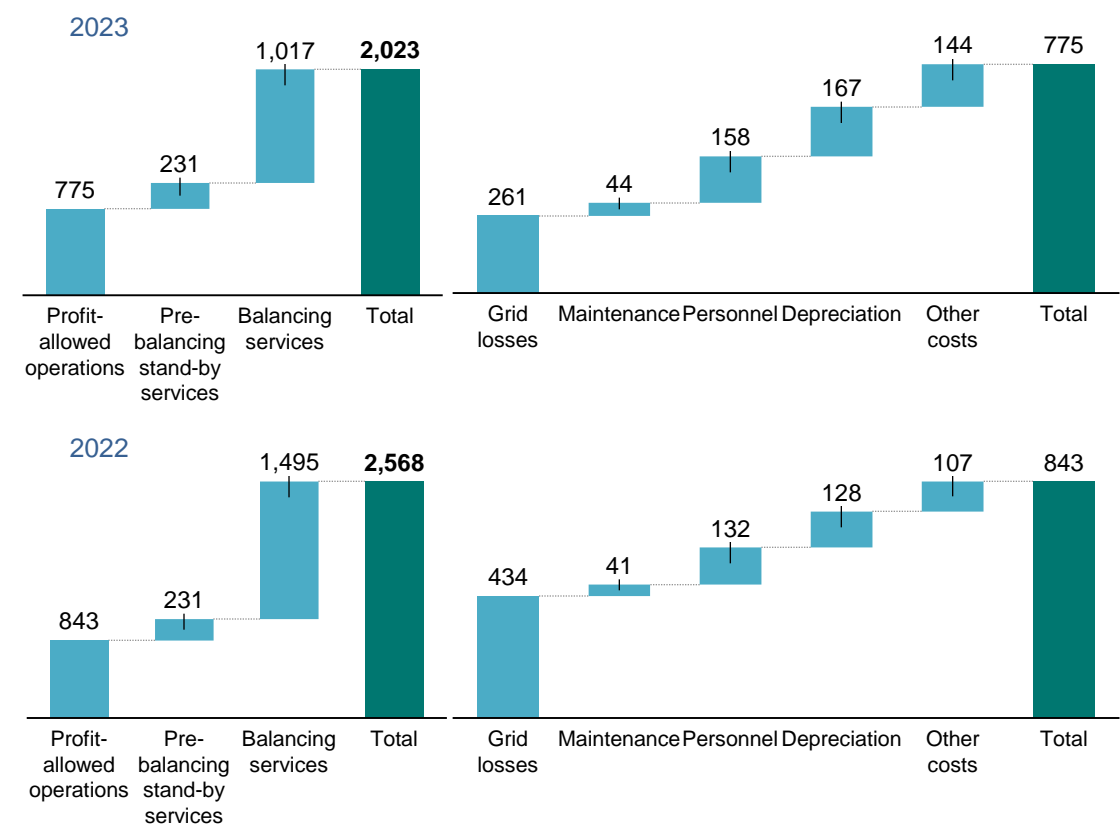
Operational expenses

Operational expenses

ALL OPERATIONS

PROFIT-ALLOWED OPERATIONS

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



DRIVERS BEHIND THE EVOLUTION OF COSTS

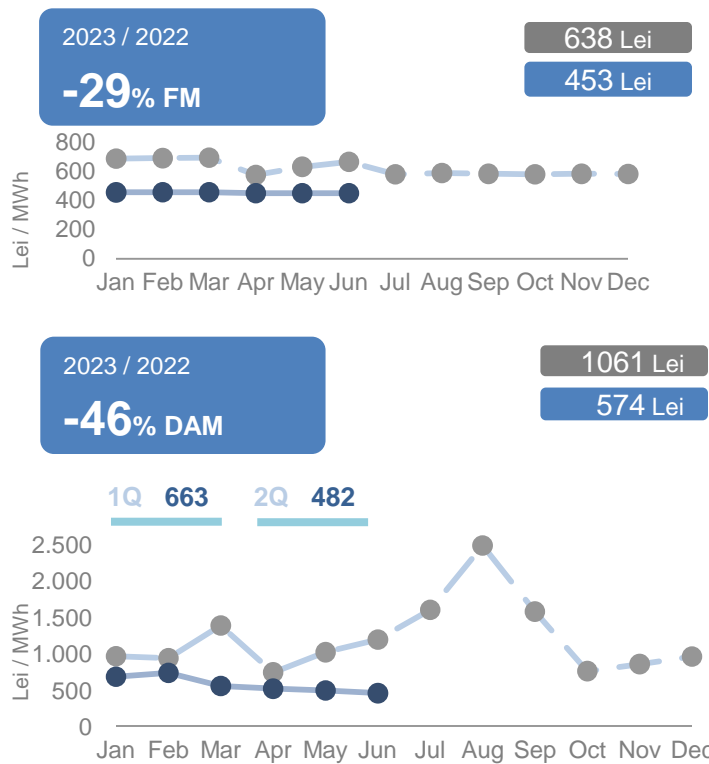
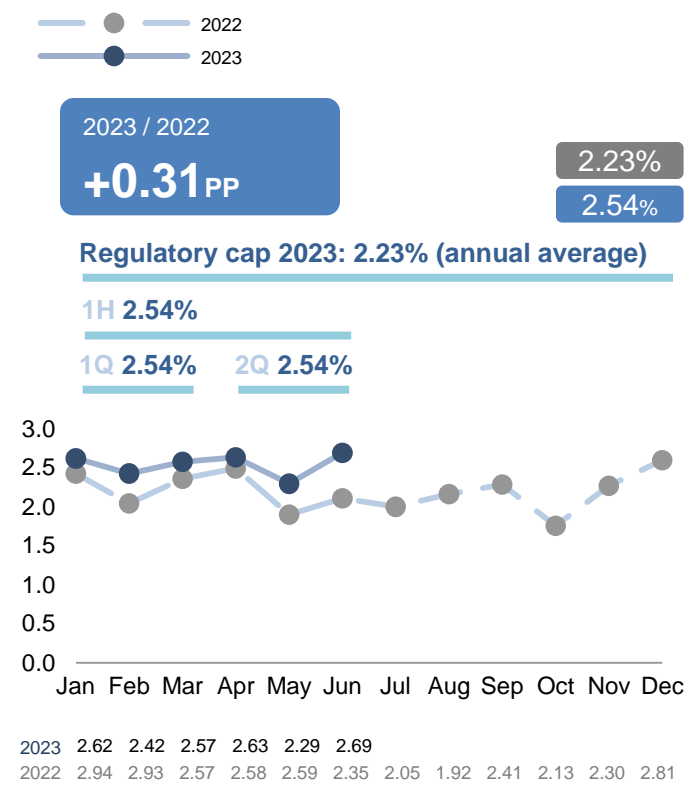
- ▼ Grid losses (lower purchase prices both in the open market and in the Government-designed contractual framework for the forward purchase of electricity at a fixed price of 450 Lei/MWh)
- ▲ Depreciation (mainly grid losses assets* created in 2022), personnel costs, cross-border transit costs (Inter-TSO-Compensation), write-off of CWIP (failed investments from previous years), base effect of the 2022 reversal of provision for receivables write-off

*as per Government Emergency Ordinance 119/2022

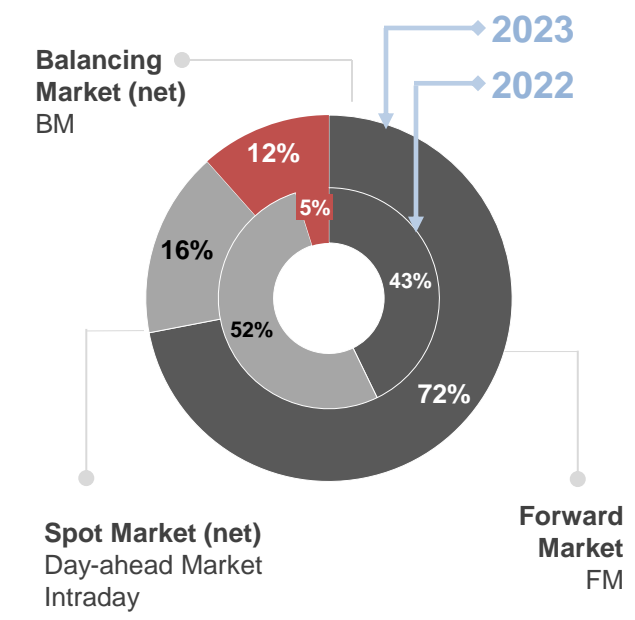
Chart unit: mil Lei



WE LEAD THE POWER



Operational costs | grid losses



GRID LOSSES

20.24 TWh
GRID IN-TAKE VOLUME IN 1H2023

19.72 TWh
GRID OFF-TAKE VOLUME IN 1H2023

2.54% (0.51TWh)
GRID LOSSES 1H2023

PRICES PAID PER MARKET

453 Lei/MWh (▼ 29%)
FORWARD MARKET (FM)

574 Lei/MWh (▼ 46%)
DAY-AHEAD MARKET (DAM)

377 Lei/MWh (▼ 66%)
BALANCING MARKET (BM) (Net, BRP fee included)

AVERAGE PRICE / PURCHASE MIX

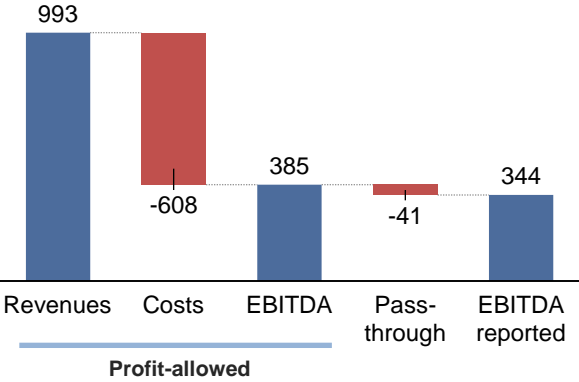
466 Lei/MWh (▼ 47%)
CROSS-MARKET AVERAGE PRICE PAID

72%FM / 16%SPOT / 12%BM (1H2023)
PURCHASE MIX (VOLUMES)

43%FM / 52%SPOT / 5%BM (1H2022)
PURCHASE MIX (VOLUMES)

FROM REVENUES TO EBITDA

2023



2022

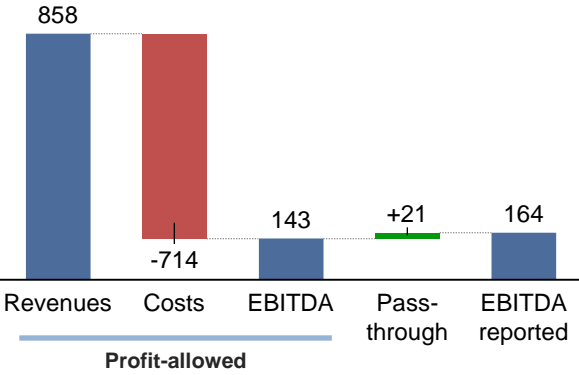
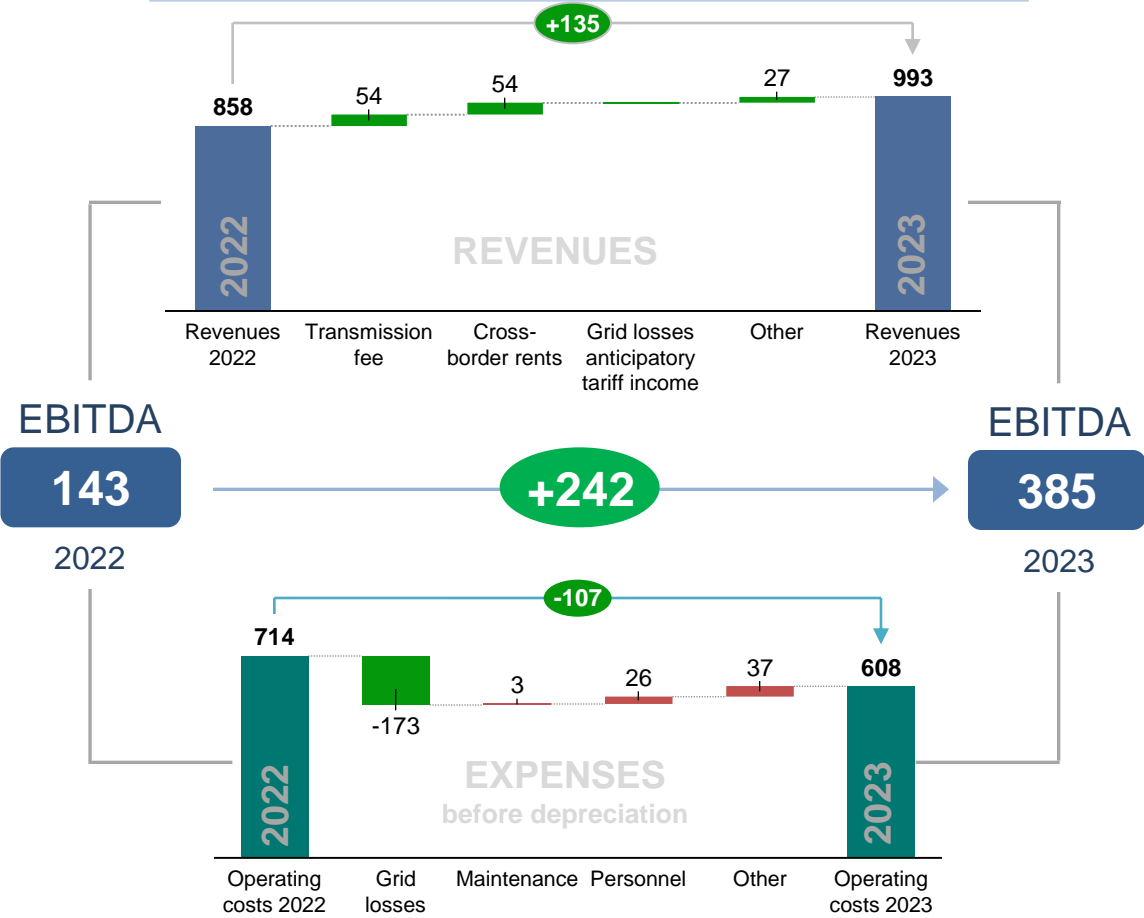


Chart unit: mil Lei

EBITDA BREAKDOWN (PROFIT-ALLOWED)



From EBITDA to Net income

FROM EBITDA TO NET INCOME

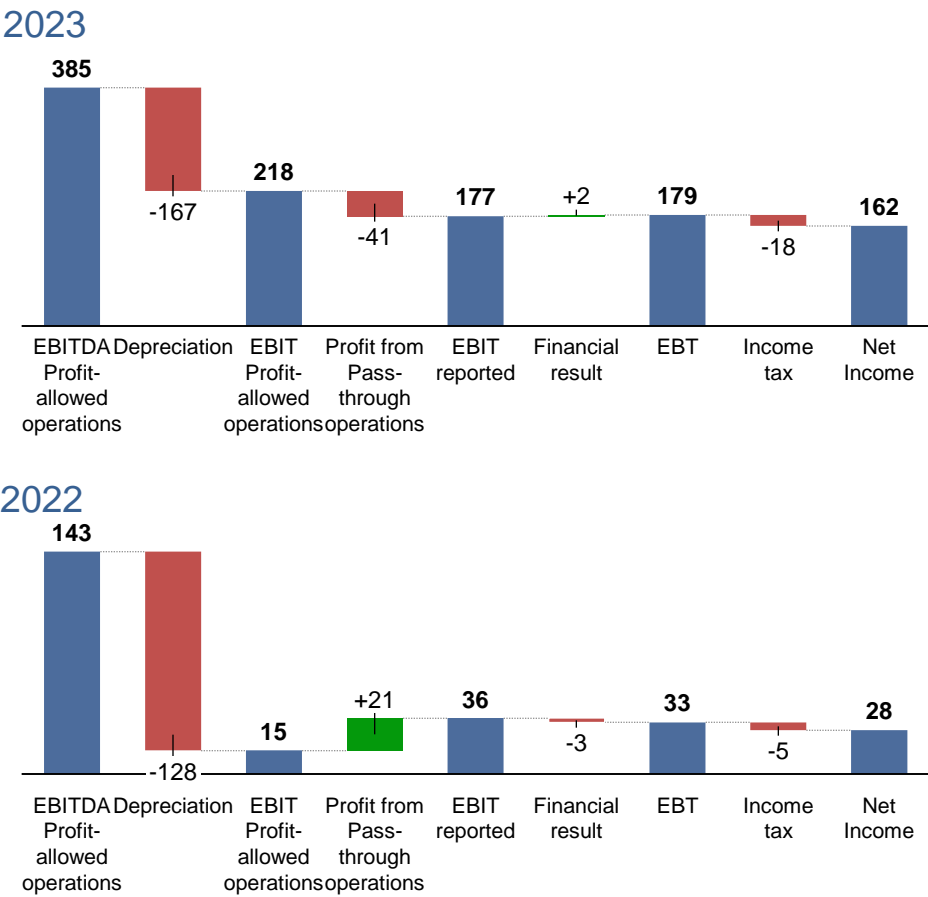
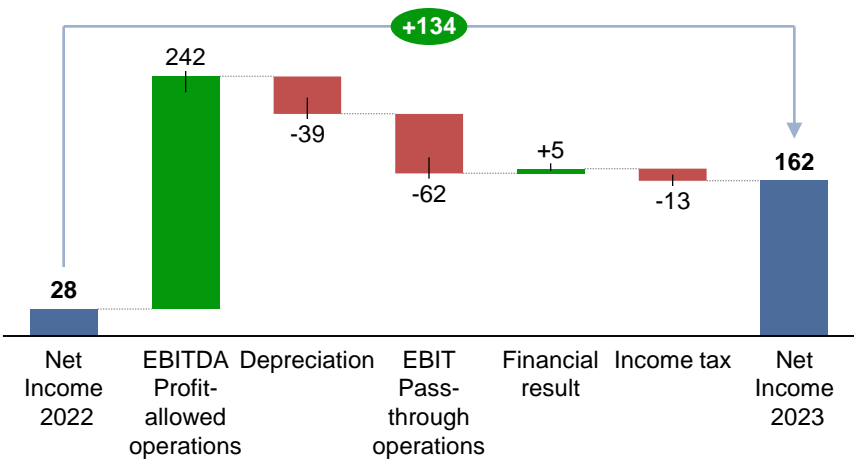


Chart unit: mil Lei

NET INCOME BREAKDOWN



MAIN DRIVERS BEHIND THE INCREASE IN NET INCOME

- ▲ EBITDA from core operations (transmission) mainly driven by
 - (i) Higher revenue due to a higher tariff offsetting lower volumes and higher cross-border income (congestion rents)
 - (ii) Substantially lower grid losses costs due to lower market prices and the Government-designed multi-year contractual framework for the forward purchase of electricity at a fixed price of 450 lei/MWh

Delivered in 1H2022

127
Lei m

New contracts

Total aggregate amount for contracts signed in 1H2023

- Selected items:
- 72 mil lei - New substation 400 kV Arefu
 - 41 mil lei - New internal line Ostrovu Mare - RET



—
Lei m

Capital expenditure

Amounts added to construction-work-in-progress in 1H2023

- Selected items:
- 48 mil lei - New internal line Gutinas-Smardan
 - 22 mil lei - RO-BG intermediate connections in Medgidia substation
 - 17 mil lei – Modernization of substation Arefu



532
Lei m

Assets commissioned

Amounts transferred from construction-work-in-progress to fixed assets in 1H2022

- Selected items:
- 354 mil lei - New internal line Cernavoda-Stalpu
 - 47 mil lei - Modernization of Munteni substation
 - 40 mil lei – Modernization of substation Arefu



of which RAB: 159 Lei m



Thank you for your attention!

Romanian Electricity Transmission Network



[Lei m]	1H 2023 IFRS unaudited	1H 2022 IFRS unaudited		2Q 2023 IFRS unaudited	2Q 2022 IFRS unaudited		1Q 2023 IFRS unaudited	1Q 2022 IFRS unaudited				
Billed volume [TWh]	24.97	26.90	▼	7.2%	11.97	12.56	▼	4.7%	13.01	14.35	▼	9.3%
Profit-allowed operations												
Operational revenues	993	858	▲	15.8%	494	426	▲	15.8%	499	431	▲	15.7%
Operational revenues Transmission	959	833	▲	15.2%	472	414	▲	14.1%	487	419	▲	16.3%
Operational revenues Transmission Regulated fee	748	694	▲	7.7%	380	351	▲	8.1%	368	343	▲	7.4%
Operational revenues Transmission Cross-border rents	181	127	▲	42.9%	79	57	▲	38.0%	102	70	▲	46.9%
Operational revenues Transmission Other	31	12	▲	151.8%	14	6	▲	147.8%	17	7	▲	155.2%
Operational revenues Dispatching	4	0	▲	7881.4%	4	0	▲	9506.6%	0	0	▼	-
Operational revenues Dispatching Regulated fee	0	0	-	-	0	0	-	-	0	0	-	-
Operational revenues Dispatching Unplanned cross-border flows	0	0	▼	-	0	0	▼	-	0	0	▼	-
Operational revenues Dispatching Emergency energy assistance to neighboring	4	0	▲	-	4	0	▲	-	0	0	-	-
Operational revenues Other income	30	25	▲	21.1%	18	12	▲	45.3%	12	13	▼	2.6%
Operational revenues Other income Grid losses anticipatory tariff income	0	0	-	-	0	0	-	-	0	0	-	-
Operational revenues Other income Other income	30	25	▲	21.1%	18	12	▲	45.3%	12	13	▼	2.6%
Operational costs	608	714	▼	15.0%	295	338	▼	12.6%	312	377	▼	17.1%
Operational costs System operation	307	466	▼	34.1%	136	192	▼	29.6%	171	274	▼	37.3%
Operational costs System operation Grid losses	261	434	▼	39.8%	114	179	▼	36.3%	147	255	▼	42.3%
Operational costs System operation Congestion relief	0	0	▼	-	0	0	▲	-	0	0	▼	-
Operational costs System operation Power consumption in grid substations	25	21	▲	23.4%	14	9	▲	62.6%	11	12	▼	6.0%
Operational costs System operation Inter-TSO-Compensation	20	11	▲	85.2%	7	5	▲	51.0%	13	6	▲	111.2%
Operational costs System operation Other	0	0	▼	-	0	0	▼	-	0	0	-	-
Operational costs Maintenance	44	41	▲	7.3%	25	23	▲	11.8%	19	18	▲	1.8%
Operational costs Personell	158	132	▲	19.8%	83	71	▲	17.4%	75	61	▲	22.5%
Operational costs Other	98	75	▲	30.5%	51	51	▼	1.3%	48	24	▲	98.4%
EBITDA	385	143	▲	169.1%	199	89	▲	124.2%	187	55	▲	242.1%
Operational costs Depreciation and amortization	167	128	▲	30.4%	85	65	▲	29.7%	82	63	▲	31.2%
EBIT	218	15	▲	1347.7%	114	23	▲	391.6%	105	-8	▲	-
Pass-through operations												
Operational revenues	1,207	1,747	▼	30.9%	598	947	▼	36.9%	609	799	▼	23.8%
Operational revenues System service	189	252	▼	24.8%	89	118	▼	24.7%	101	134	▼	24.9%
Operational revenues Balancing service	1,018	1,495	▼	31.9%	510	830	▼	38.6%	508	665	▼	23.6%
Operational costs	1,248	1,726	▼	27.7%	630	947	▼	33.5%	618	778	▼	20.7%
Operational costs System service	231	231	▼	0.0%	121	110	▲	10.6%	110	121	▼	9.6%
Operational costs Balancing service	1,017	1,495	▼	32.0%	509	838	▼	39.2%	508	657	▼	22.7%
EBIT	-41	21	▼	-	-32	0	▼	-	-9	21	▼	-
All operations (profit-allowed and pass-through)												
Operational revenues	2,200	2,604	▼	15.5%	1,092	1,374	▼	20.5%	1,108	1,231	▼	10.0%
Operational costs	1,855	2,440	▼	24.0%	925	1,285	▼	28.0%	930	1,155	▼	19.5%
EBITDA	344	164	▲	109.9%	166	89	▲	87.7%	178	75	▲	136.1%
Operational costs Depreciation and amortization	167	128	▲	30.4%	85	65	▲	29.7%	82	63	▲	31.2%
EBIT	177	36	▲	393.7%	82	23	▲	251.0%	96	13	▲	655.9%
Financial result	2	-3	▲	-	1	-1	▲	-	1	-2	▲	-
EBT	179	33	▲	440.2%	82	23	▲	263.5%	97	11	▲	818.8%
Income tax	-18	-5	▼	245.0%	-1	-3	▲	65.5%	-17	-3	▼	563.2%
Net Income	162	28	▲	475.8%	81	20	▲	306.0%	80	8	▲	899.3%

TRANSELECTRICA S.A.**Web:****www.transelectrica.ro****Stock:****ISIN ROTSELACNOR9. Bloomberg TEL RO. Reuters ROTEL.BX****Post:****Olteni 2-4. Bucharest 3. Romania****E-mail:****relatii.investitori@transelectrica.ro****Tel:****+40 213035611****Fax:****+40 213035610****Executive Board****Stefanita Munteanu****Chair (CEO)****Catalin Constantin Nadolu****Member****Florin Cristian Tataru****Member****Bogdan Toncescu****Member**



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