

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

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

Date of the communique: **24 April 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 obtained in 2018

The report includes:

- Stand-alone financial statements on the date and for the financial year concluded on December 31st, 2018 drafted according to the Order of the Ministry of Public Finance no. 2844/2016 as subsequently amended and supplemented on the approval of accounting regulations in line with the International Financial Reporting Standards;

- Independent auditor's report on the Stand-alone financial statements on the date and for the financial year concluded on December 31st, 2018;

- Annual report on the stand-alone financial statements of NPG Transelectrica SA, drafted according to Order no. 2844/2016 of the Ministry of Public Finances, as subsequently amended and supplemented and according to Law no. 24/2017 on the issuers of finance instruments and market operations and to Annex 15 of Regulation 5/2018 issued by the Financial Services Authority for the financial year concluded on December 31st, 2018;

- Consolidated financial statements on the date and for the financial year concluded on December 31st, 2018 drafted according to the International Financial Reporting Standards with subsequent amendments and additions;

- Independent auditor's report on the Consolidated financial statements on the date and for the financial year concluded on December 31st, 2018;

- Annual consolidated report on the Consolidated financial statements on the date and for the financial year concluded on December 31st, 2018 drafted according to the International Financial Reporting Standards with subsequent amendments and additions.

In 2018, Transelectrica improved its financial profitability compared to 2017.

The Company obtained operational profit higher by 49% compared to 2017 against a background of 12% decrease in the total operational costs (depreciation included) compensating the 11% drop in operational revenues.

The segment of activities with allowed profit: a slight 1% increase in revenues, due to the increase in the regulated tariff valid as of July 1, 2018 and the 2% increase in the charged amount of electricity.

During the studied time interval revenues from the allocation of interconnection capacities grew 8% compared to the value achieved in 2017 (RON 82 mn in 2018 compared to RON 76 mn in 2017) corresponding to the utilisation degree of available interconnection capacities by the traders on the electricity market. At the same time, revenues from OTC transactions were greater in 2018 compared to 2017 by RON 5.1 mn (RON 5.9 mn in 2018 from RON 0.8 mn in 2017), due to the 2018 registration of OTC transactions on the Balancing Market.

EBITDA was impacted by the negative development of the functional system service segment and by the unplanned exchanges, decreasing by 7% compared to 2017 (RON 64 mn in 2018 compared to RON 68 mn in 2017).

Operating expenditure for the segment with allowed profit were mainly influenced by:

- the 20% increase in the operating costs of the system (i.e. 42% of total operating costs, without depreciation), mainly caused by the negative evolution of OTC expenditure (253 mn lei in 2018 compared to 207 mn lei in 2017)

2017), given the increase in the amount of electricity required to cover own technological consumption in the PTG (+14%) and the increase in the average OTC purchase price (from 214 lei/MWh in 2017 to 224 lei/MWh in 2018);

- the positive evolution of the “other costs” segment, mainly due to the decrease of (net) operating expenditure by 56 mn lei for adjustments for the depreciation of current assets (from 58 mn lei in 2017 to 2 mn lei in 2018).

The zero profit activity segment: a negative result but however of positive development compared to the same period of 2017, determined by 9% greater revenues from technological system services, higher billed amount of electricity and average tariff approved by ANRE.

The tariffs approved by ANRE through Order 108/2018 were applied for *the second semester of 2018*; thus, the transmission fee increased (+7.5%) and the quantity of electricity that can be billed upon grid extraction was raised from 54.0 TWh to 55.4 TWh. As for the technological system services tariff, a 13.4% decrease in the fee was applied.

Net financial results improved from a loss of 21 mn lei in 2017 to 8 mn lei in 2018; a major impact was seen in the higher income from interests (+4 mn lei) and the positive evolution of expenditure from exchange rate differences (-13 mn lei).

| | M.U. | 2018 | 2017 | Δ |
|---|-----------|-------|-------|--------|
| Financial | | | | |
| Billed quantity | [TWh] | 55.78 | 54.75 | ▲ 2% |
| PROFIT ALLOWED ACTIVITIES | | | | |
| Total revenues | [RON mn] | 1,180 | 1,173 | ▲ 1% |
| Average transmission tariff (achieved) | [RON/MWh] | 17.46 | 17.73 | ▼ 2% |
| Transmission revenues and from other activities on the market | [[RON mn] | 1,070 | 1,055 | ▲ 1% |
| EBITDA | [[RON mn] | 440 | 459 | ▼ 4% |
| Amortisement | [[RON mn] | 298 | 312 | ▼ 4% |
| EBIT | [[RON mn] | 142 | 147 | ▼ 4% |
| ZERO PROFIT ACTIVITIES | | | | |
| EBIT | [[RON mn] | (40) | (79) | ▲ 49% |
| ALL ACTIVITIES (PROFIT ALLOWED AND ZERO PROFIT) | | | | |
| EBIT | [[RON mn] | 101 | 68 | ▲ 49% |
| Net profit | [[RON mn] | 81 | 28 | ▲ 188% |
| Operational | | | | |
| Net internal consumption | [TWh] | 58.2 | 56.9 | ▲ 2% |
| Net internal output | [TWh] | 60.7 | 59.8 | ▲ 1% |
| Export | [TWh] | 5.4 | 6.1 | ▼ 12% |

The reports about the activities of NPG Transelectrica SA in January-December 2018 and the Audited financial statements of 31 December 2018 are available beginning with 24 April 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