



Transelectrica SA

Romanian Electricity Transmission Grid Operator

We lead the power

General Presentation



Scope of business operations

Europe / CEE / Romania
Utilities / Electricity transmission grid
Regulated monopoly



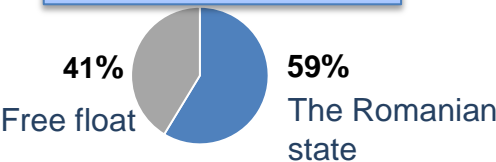
General profile

Regulated prices
Pure network business i.e. just the grid,
not active on the market side of the
sector (generation/sale)
Defensive business model
Stable and predictable cash-flow

Licence, Assets, Certification

25 years license to operate the Romanian
main power grid
49 years concession agreement with
Romanian Gov (grid assets)
Sector independence certification:
Ownership Unbundling model

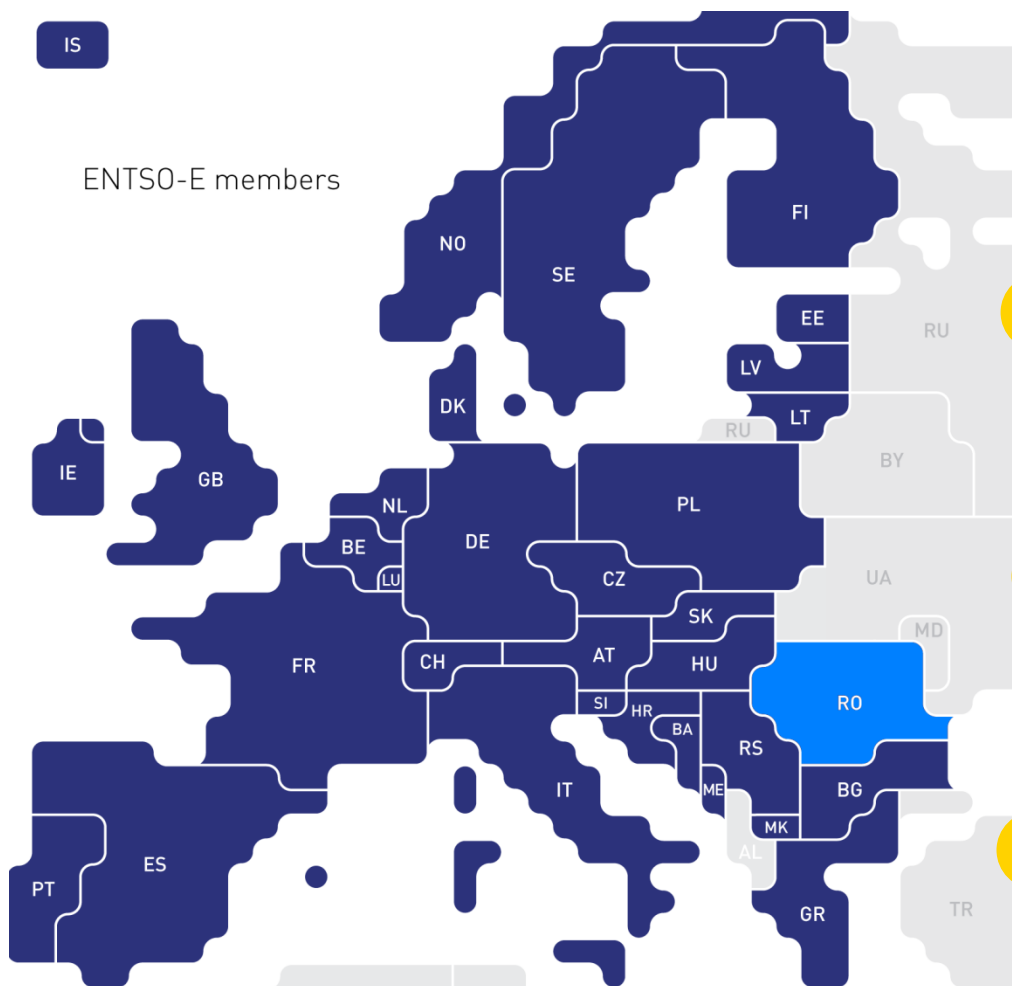
Shareholders



Regulatory profile

Good visibility (5-year price-control
cycles with annual rate reviews)
Clear setup for OPEX & CAPEX cost
recovery (tariff)
ROI* set by regulation (embedded into
grid tariffs)

* Return On Investment



ENTSO-E members

...of different electricity systems:

- Continental Europe
- Moldova, Ukraine, Turkey

...of EU and non-EU countries

(EU legislation not mandatory for all the countries in the region)

...of different congestion management regions within Europe:

- West-Central-East (FR→RO)
- South-East (RO, BG, GR)

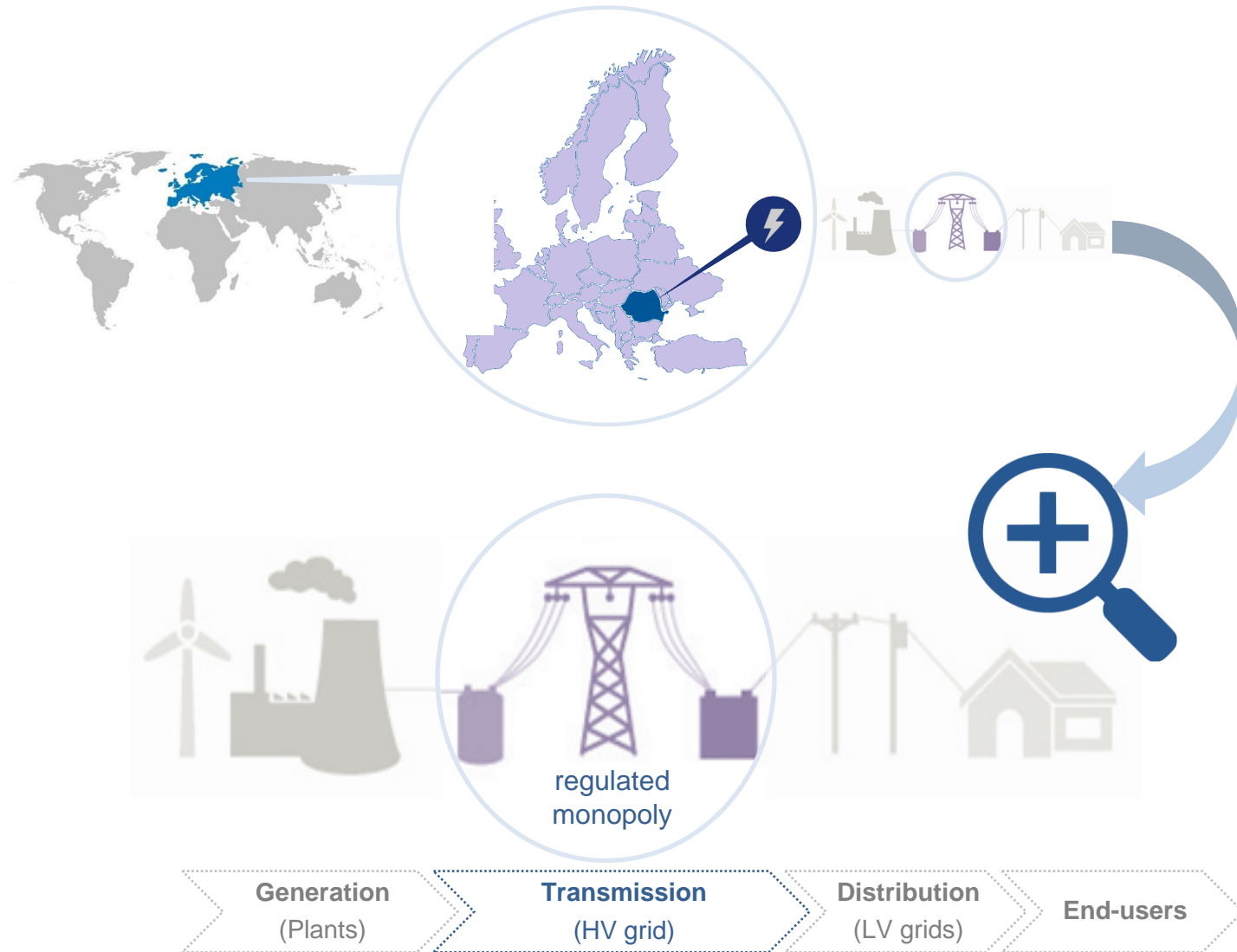


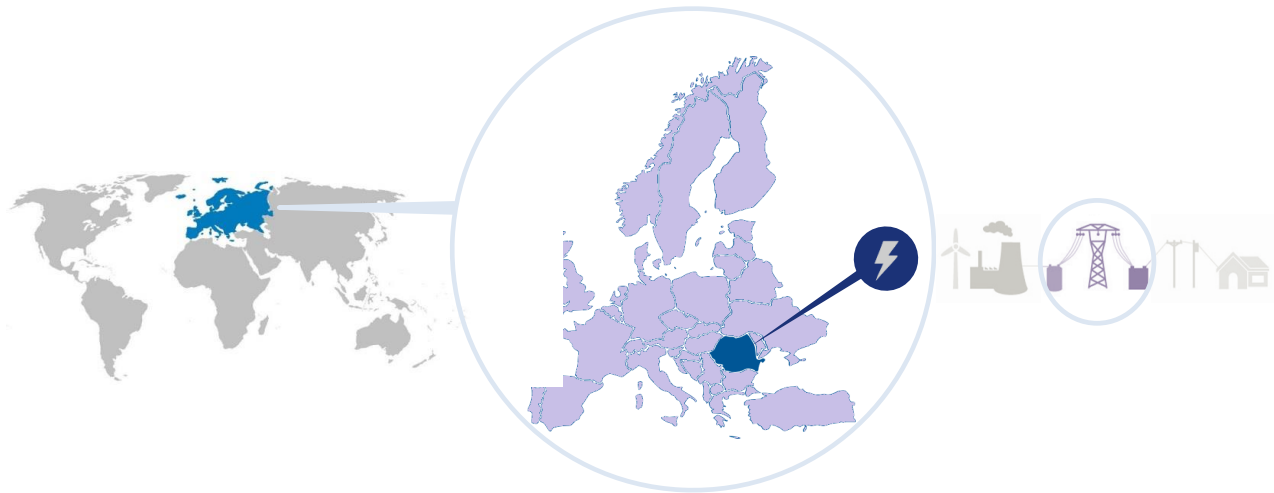
What we do

- Transport bulky volumes of electricity across Romania
- Operate Romania's cross-border power links with neighboring countries

What we don't

- Produce electricity
- Trade in electricity
- Deliver electricity supplies all the way to retail end-users





≈9,000 km
Network length



≈325 €m
Market value of equity



400/220/110 kV
Voltages operated



≈ 900 €m
Capex plan next 10 years

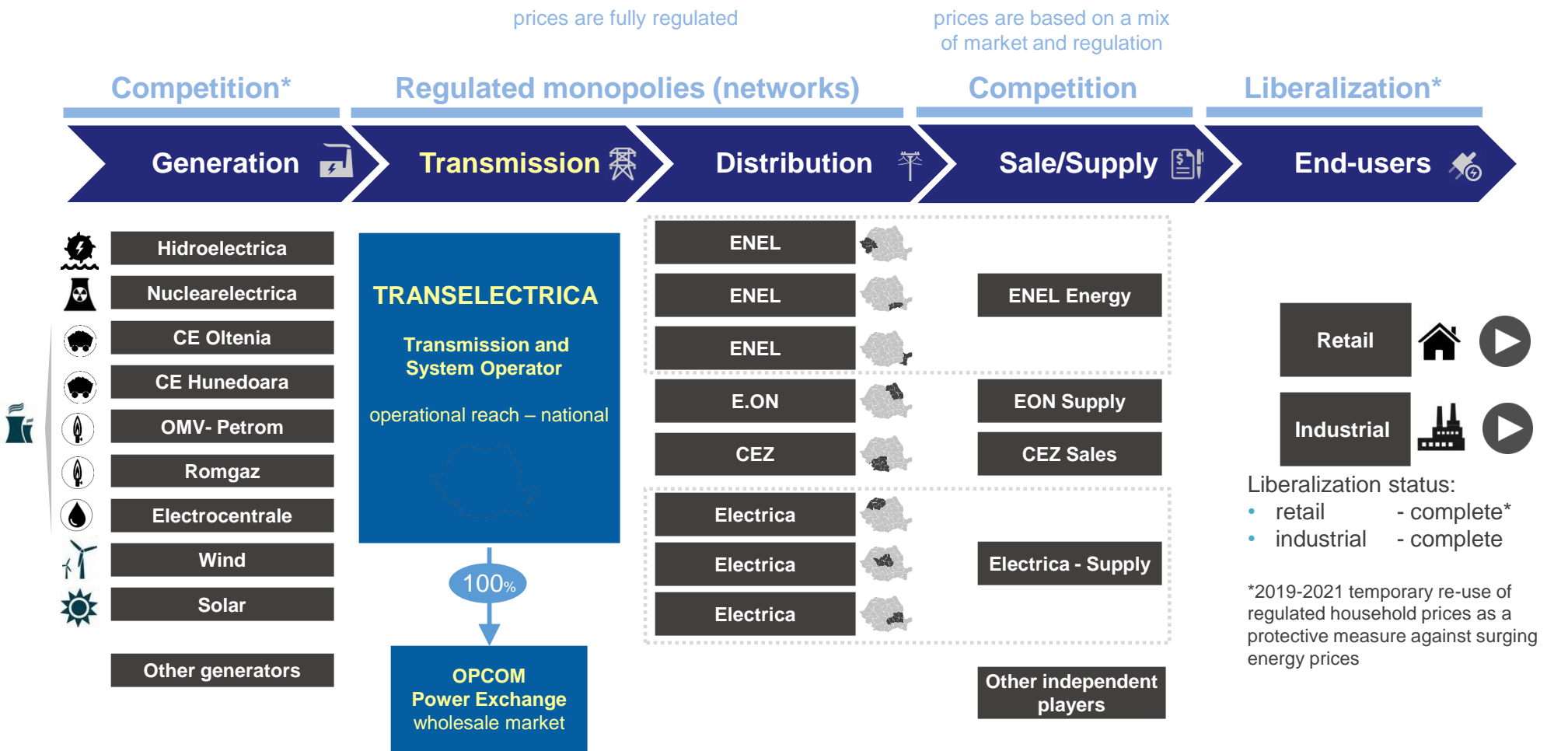


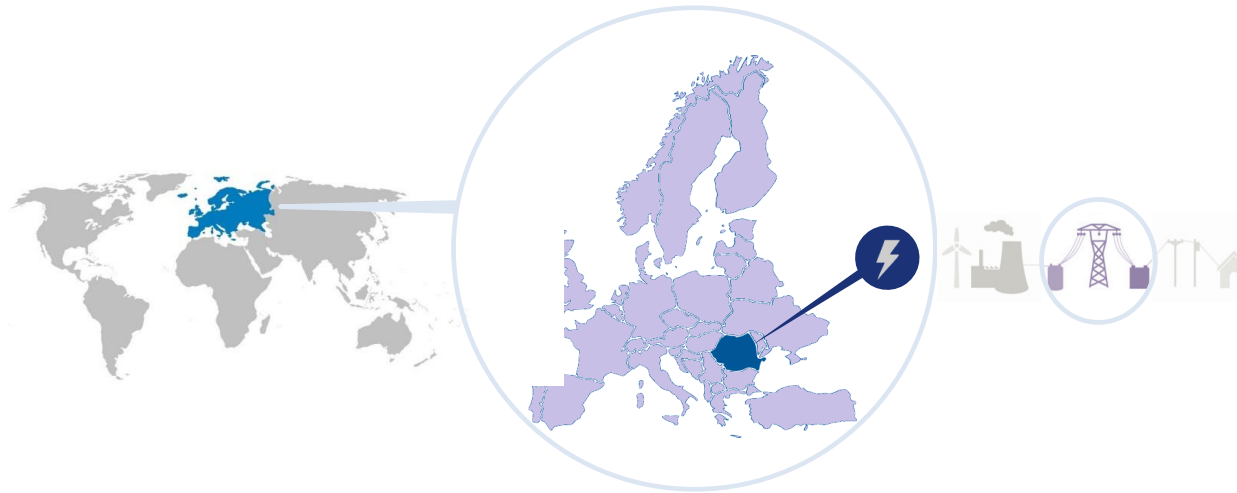
25 years
License lifespan



Ba1
Moody's Investors Service







Transmission

- Maintenance, operation and upgrade of the national high-voltage electric backbone
- Operation of cross-border interconnection lines
- High availability (low outage) rates
- Unrestricted grid access for all users



System operation

- Real time monitoring and control of the whole electricity system in Romania
- Grid balance planning and real-time i.e. close match between generation and consumption
- Calculation of back-up stand-by capacity reserves



Market balancing

- Imbalance settlement process: measurement and financial settlement of grid imbalances caused by temporary generation-consumption mismatches (TSO acts as a clearing agent for the entire market)



Market

Role



Electricity

Market facilitator: operates Romania's main electricity grid

Trading (own position): volumes purchased to offset transmission grid losses



Balancing capacity services

Single buyer

Frequency regulation reserves (FCR, aFRR, mFRR, RR) purchased mainly through market-based transactions



Balancing energy services

Central counterparty clearing: financial settlement of imbalances (BRPs) vs. balancing services (BSPs)

Own BRPs: unintended cross-border flows, shipper within CEE regional price-coupled DAM (4MMC: CZ+SK+HU+RO)

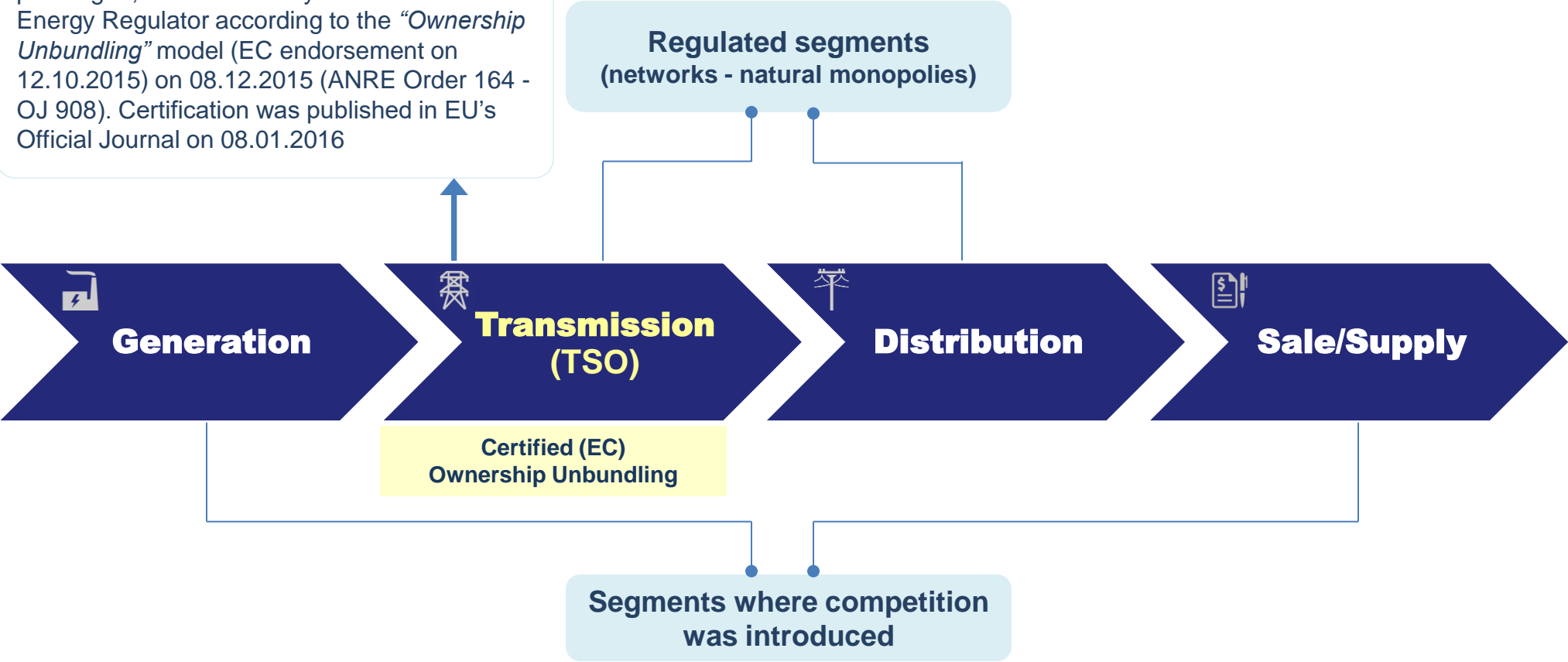


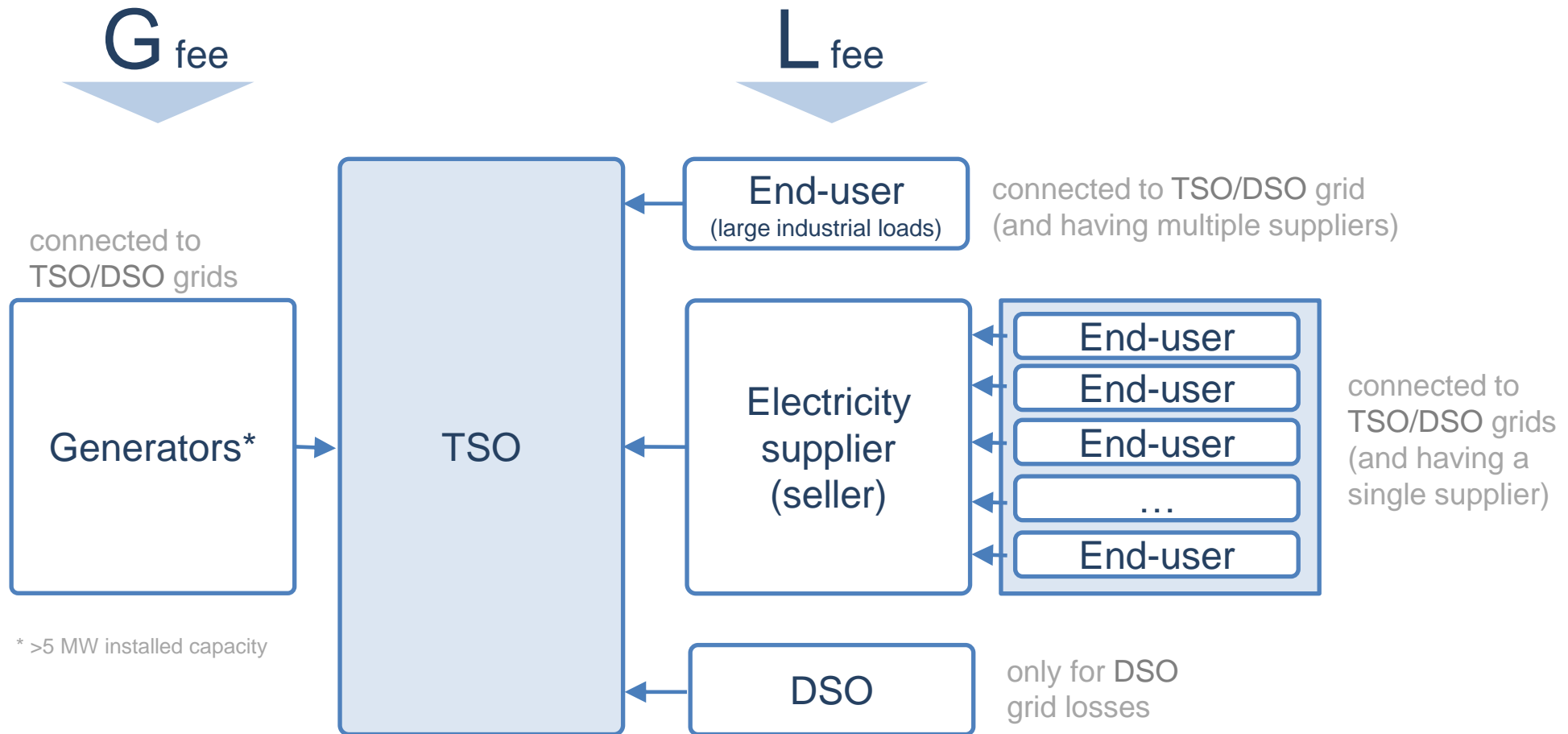
Cross-border capacity

Calculation and allocation/sale of available capacity to the market

(market-based transactions)

Transelectrica's independence from the market side of the power sector (generation, sale/supply), given its position as transmission and system operator (TSO) of the Romanian power grid, was certified by the Romanian Energy Regulator according to the "Ownership Unbundling" model (EC endorsement on 12.10.2015) on 08.12.2015 (ANRE Order 164 - OJ 908). Certification was published in EU's Official Journal on 08.01.2016



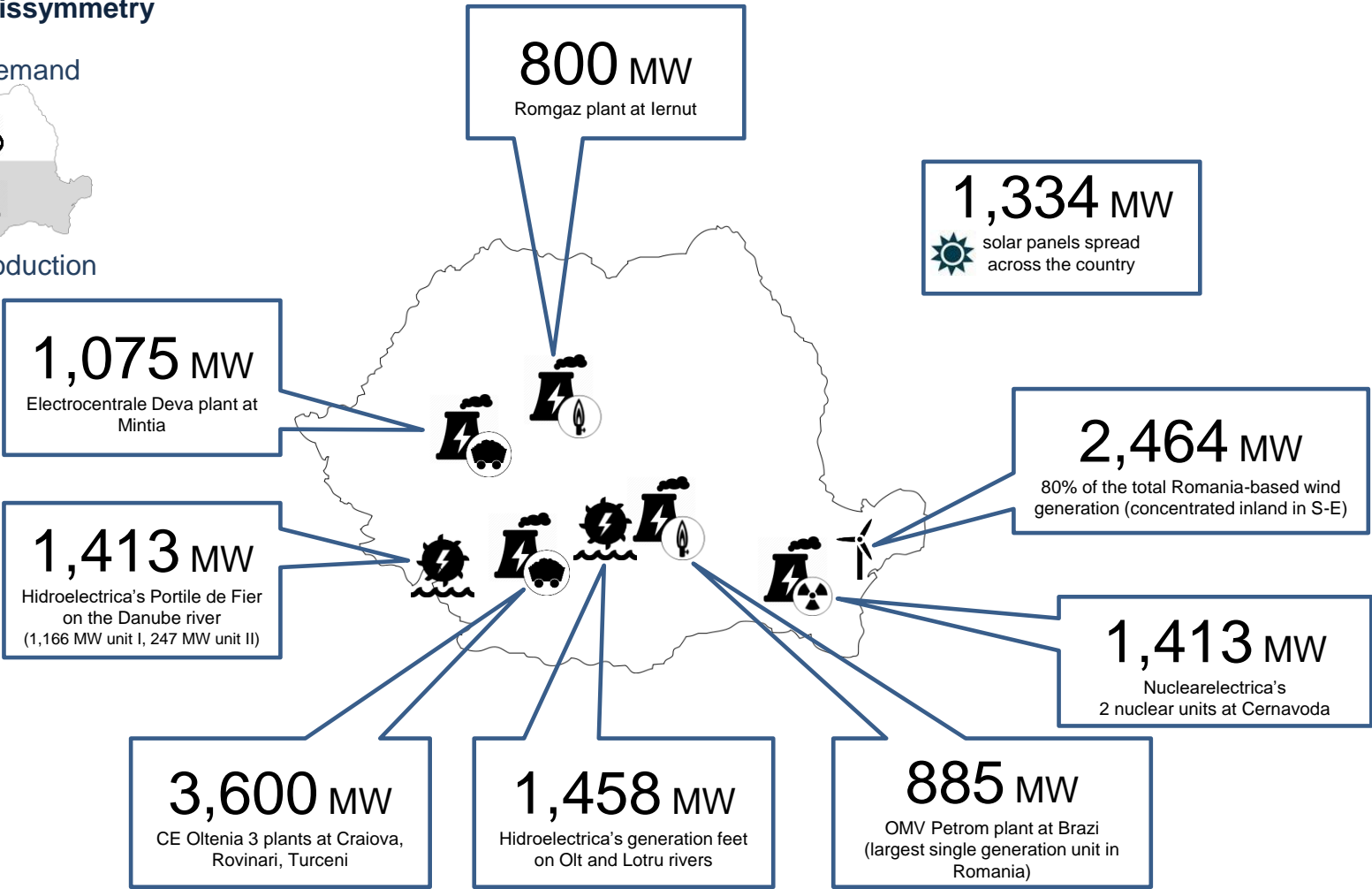


Production - Demand geographical dissymmetry

North - Demand



South - Production

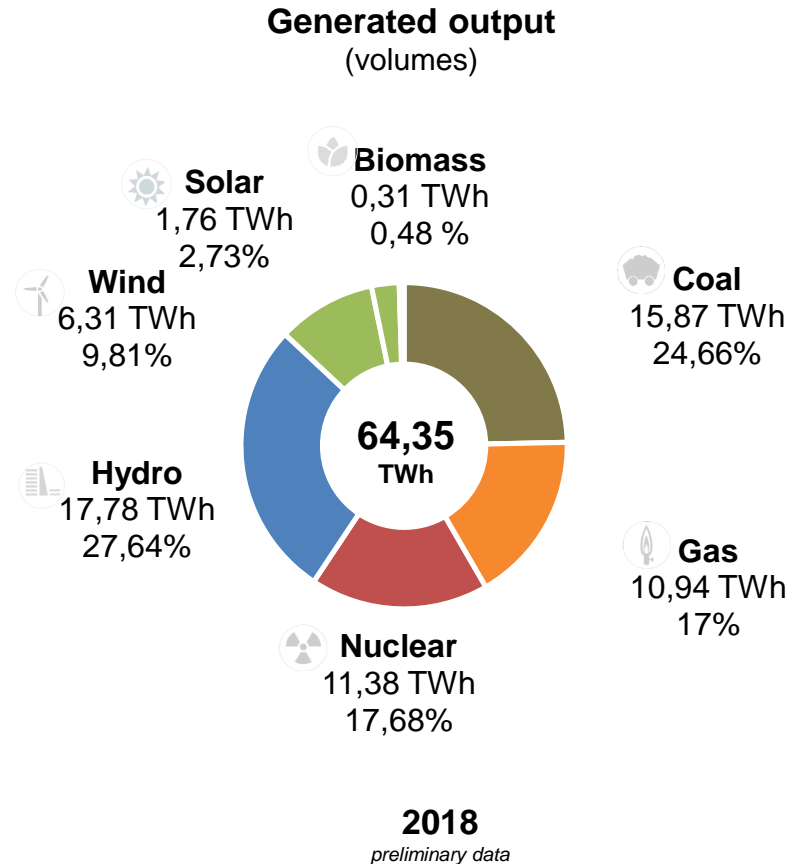
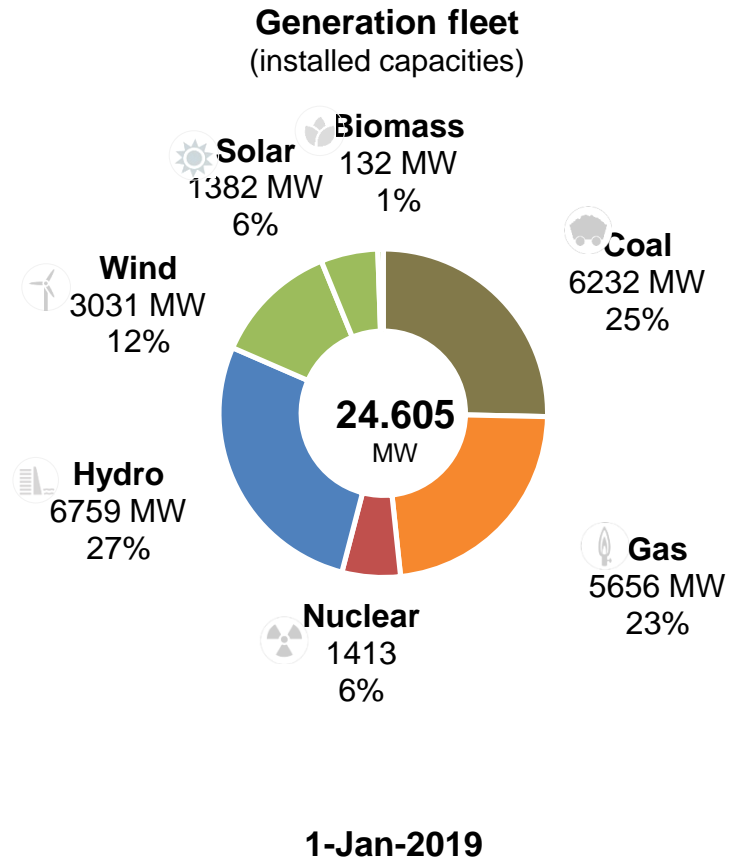


Installed capacities (selection)

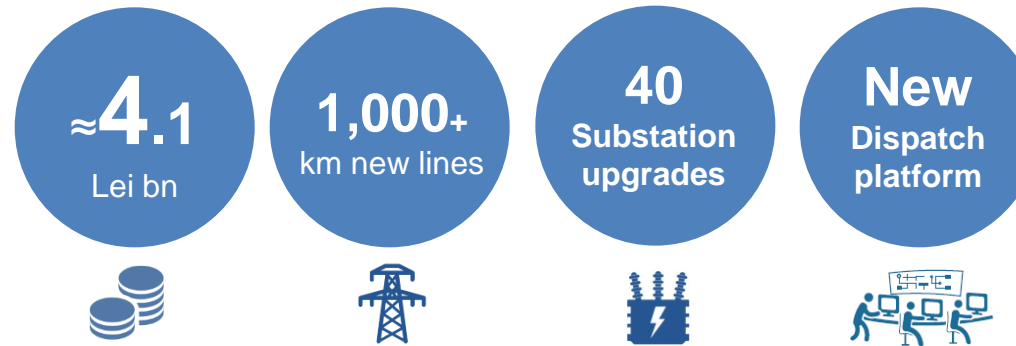
The chart above shows a selection of the Romania-based electricity generation fleet

General presentation

Generation mix | capacity vs. output

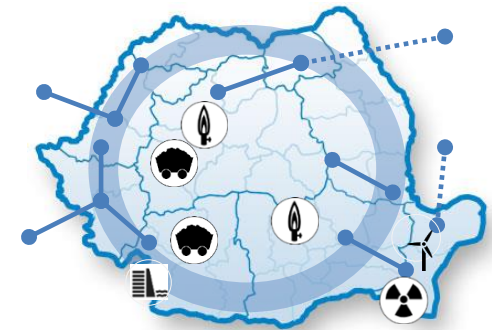


2018-2027



CAPEX FOCUS AREAS

- Renewal & upgrade of existing network assets
 - New integrated dispatching platform
 - Substations
 - Auxiliary equipment
- Grid extension and upgrade to safely take additional generation from Dobrogea (South-East) area
 - New internal route South-East → Central-West
 - New internal route Sputh-East → Central-South
- Cross-border interconnectivity
 - Hungary
 - Serbia
 - Moldova (Republic of)





The Electricity Transmission Grid of Romania

Company under Two-Tier Management System

WE LEAD THE POWER





The Company is listed on the Bucharest Stock Exchange (BVB) from 08.08.2006, and its shares are traded in the Premium Category under the symbol TEL, ...

... which implies that she assumed:

- respecting the right of shareholders



- compliance with the rules governing the capital market



- fulfillment of obligations towards shareholders / investors



CNTEE Transelectrica SA is aware that shareholders' interests should be observed and protected and this is the reason why it aims at increasing the Company's value and maximising the profit, taking into account the sustainable development and social implication principles.

The Company provides fair treatment to all shareholders, regardless of the number of shares they hold, and it also provides them with equal access to Company information, using towards them all the same transparency rules, facilitating the exercise of their rights. The information that can produce effects on the development of Stock Exchange operations is the "privileged information" which is operatively communicated to shareholders and the capital market, then is published on the Company's site and transmitted to mass-media by means of press releases, tele conferences and press interviews.

The Company periodically publishes reports and transmits them with general and particular data on its results and activities and about the manner which it operates in. Such data are accurate, consistent and according to true facts. The Company undergoes independent audit which complies with all worldwide acknowledged qualitative accounting and audit standards.

All such information and communications dedicated to shareholders and investors are available on the Company's web page (www.transelectrica.ro).

Transelectrica acknowledges its role and ethic liability as regards its contribution to raising the quality level of the society which it operates in; it is also involved in supporting corporate social responsibility projects by sustaining the promotion and organisation of social and cultural events and demos but most especially by means of aids provided to disfavoured social classes and to persons with vulnerabilities, ill and old people, and children.

National Power Grid Company "Transelectrica" S.A.



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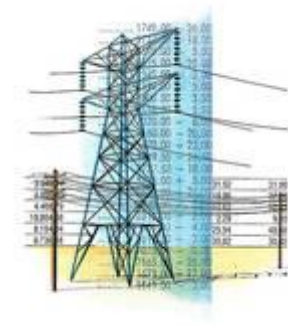
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Thank you for your attention!



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