



Transelectrica®
Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice
Transelectrica SA - Sediul Social: Str. Olteni, nr. 2-4, C.P. 030786, București
România. Număr înregistrare Oficiul Registrului Comerțului J40/8060/2000,
Cod Unic de înregistrare 13328043. Telefon +4021 303 56 11, Fax +4021 303 56 10
Capitalul subscris și vărsat: 733.031.420 Lei
www.transelectrica.ro

Nr.15170/23.03.2023

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: **March 23, 2023**

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

Starting from **March 23, 2023**, the separate and consolidated financial statements for the year 2022, including the annual reports related to year 2022 and the auditor's reports will be accessible, in electronic format, on the Company's website, www.transelectrica.ro, in the Investor Relations-GMS section and do part of the list of materials included on the agenda of the annual ordinary general meeting of shareholders, convened for **April 27(28), 2023**.

Summary of financial results for 2022

In 2022 business was carried out against an extraordinary background at European level characterized by a steep increase in wholesale energy prices, due to the major challenges Europe had to face in terms of supplying its citizens and economies with energy resources given the dramatic decrease in Russian fossil fuel supplies (natural gas, coal, oil) due to the war in Ukraine. This situation has caused significant changes to the structure of electricity generation at European level as well as significant price spreads across different member states and also an increased market interest for cross-border trading.

The general European energy market context impacted the Company's business on several different levels.

In 2022 the Company generated 6,286 million lei of operating revenue which represents a sizeable increase of 2,530 million lei (+67%) as compared to the previous year's 3,756 million lei.

No.	Operational revenues	M.U.	2022	2021
	Total revenue of the Company	[RON mn]	6,286	3,756
1	Revenue from profit-allowed activities, main elements detailed as follows:	[RON mn]	2,319	1,310
	Regulated transmission tariff income	[RON mn]	1,401	1,152
	Interconnection revenue	[RON mn]	399	65
	Other incomes (Grid losses anticipatory tariff)	[RON mn]	339	-
2	Revenue from zero-profit activities	[RON mn]	3,967	2,445

The segment with the highest growth was represented by zero profit activities (no profit allowed¹), where revenues of 3,967 million lei were recorded, representing an increase of 1,522 million lei (+62%) compared to the previous year. This segment had a share of 63% in the total operational revenues recorded in 2022. The highest growth was recorded on the balancing market, situation determined by the general evolution of prices on the wholesale electricity markets. We specify that the Company's role on the balancing market is for administration, the European and national regulations specific to this market establishing that Transelectrica is financially neutral² in carrying out this activity, and does not record gains or losses.

The segment of activities with allowed profit recorded revenues of 2,319 million lei, representing an increase of 1,009 million lei (+77%) compared to the previous year. Within this segment of activities, the most important increase was recorded in the revenues obtained from the allocation of cross-border interconnection capacity. In 2022, revenues of 399 million lei were recorded from this activity compared to 65 million lei in the previous year. We specify that European legislation establishes a strict regime regarding

¹Regulated activities based on the principle of financial neutrality of Transelectrica, namely the non-obtainment of gains and non-bearing of financial losses by the Company from the performance of these activities..

²Any unregistered result from this activity is compensated later through the transport tariff.





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the use of revenues obtained by electricity transmission network operators from the allocation of cross-border exchange capacities. These revenues are primarily used to finance investments in increasing the cross-border capacity of the electricity transport infrastructure. *Thus, similarly to the previous years, for the year 2022 these net incomes from the profit tax will be allocated to the special purpose reserve and will not be distributed to the shareholders in the form of dividends.*

Regarding the rest of the activities in the segment of activities with allowed profit, the revenues obtained from the application of the transport tariff registered an increase of 249 million lei (+21,6%) compared to the previous year, this increase partially covering the substantial increase in the costs borne by the Company with electricity purchased to cover technical losses from the transmission network (OTC). The increased costs with OTC were determined by the massive increase in the price of energy in the wholesale market, the increase in the transport tariff only partially covering this increase. Thus, the revenues obtained from the transport tariff represented only 22% of the total operational revenues recorded by the Company in 2022. For the part of the total OTC cost that was not covered by the transport tariff in 2022, in accordance with the applicable legislation, it was recorded a special income (OTC capitalization income). *This income is in the amount of 339 million lei. We specify that this income is of a non-monetary nature, its collection will be realized by the Company in stages through the transport tariff over the next five years (2023-2027) in accordance with the relevant legislative provisions.*

The costs of purchasing energy to cover technological own consumption (OTC) amount to 827 million RON for 2022, 300 million RON higher than the previous year (+57%), significantly exceeding the values recorded in recent years.

In summary, the main driver behind the significant increase in the preliminary net income of 515 million lei is the sizeable increase in cross-border capacity income. Such income will be used to finance future investment in increasing the transmission networks's cross-border capacity, according to the relevant European legislation and Romania's commitments to the EU.

	M.U.	2022	2021	Δ
Financial				
Charged energy volume	[TWh]	52.18	56.35	▼ 7%
PROFIT-ALLOWED ACTIVITIES				
Average transmission tariff (achieved)	[RON/MWh]	26.85	20.44	▲ 31%
Total revenue	[RON mn]	2,319	1,310	▲ 77%
Total expenses, of which:	[RON mn]	1,474	1,051	▲ 40%
Grid losses Expenses	[RON mn]	827	527	▲ 57%
EBITDA	[RON mn]	845	259	▲ 226%
Depreciation	[RON mn]	272	274	▼ 1%
EBIT	[RON mn]	573	(16)	n/a
ZERO PROFIT ACTIVITIES				
EBIT	[RON mn]	21	26	▼ 21%
ALL ACTIVITIES (Profit-Allowed and Zero Profit)				
EBIT	[RON mn]	594	11	n/a
Net profit	[RON mn]	515	0,45	n/a
Operational				
Net internal consumption	[TWh]	53.9	58.4	▼ 8%
Net internal production	[TWh]	52.7	56.2	▼ 6%
Net import	[TWh]	1.2	2.2	▼ 46%

Between January and December 2022, electricity consumption at the SEN level recorded decreases in all twelve calendar months. The influence was on the one hand the increase in the prices of primary fuels, a phenomenon that was reflected in the final price of electricity, and on the other hand, the average monthly temperatures that systematically registered positive anomalies, being above the climatological norms..

The degree of completion of the investment program on December 31, 2022 is 97.5%. The Company's investment plan for the next 10 years includes a complex investment program, which aims to strengthen energy security, digitization and the implementation of the SMART GRID concept, which will generate, on



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the one hand, the increase in the capacity to integrate renewable energy into the system and on the other hand increasing the interconnection capacity. In order to develop the national energy infrastructure, Transelectrica's leadership signed in October 2022, nine non-refundable financing contracts from the Modernization Fund, worth 424 million euros.

The separate and consolidated Financial Statements from January to December 2022 and the annual reports on the Company's activity from January to December 2022, are available as of March 23, 2023, as follows:

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

Gabriel ANDRONACHE
Chairman of the Directorate

Florin-Cristian TĂTARU
Directorate Member