



Transelectrica®

Societate Administrată în Sistem Dualist

The National Power Grid Company Transelectrica
Registered Office: 2-4 Olteni Street Bucharest, District 3, 030786, Romania
Trade Register Number J40/8060/2000, Single Registration Code 13328043
Phone +4021 303 56 11, Fax +4021 303 56 10
Share capital subscribed and paid: 733.031.420 Lei www.transelectrica.ro

To: **Bucharest Stock Exchange - Issuer Operations and Regulated Markets Department**
Financial Supervisory Authority - General Supervision Directorate - Issuers Directorate

Statement in accordance with the provisions of Law 24/2017, ASF Regulation no. 5/2018 and the BVB Code

Report date: **14 november 2023**

Name of the issuing entity: **NPG TRANSELECTRICA SA, Company managed by two-tier system**

Registered Office: București, Str. Olteni nr. 2-4, sector 3

Telephone/fax number: 021 30 35 611/021 30 35 610

Tax Registration Number: 13328043

Trade Register Number: J40/8060/2000

Subscribed and paid-up share capital: 733.031.420 RON

LEI Code: 254900OLXCOUQC90M036

Regulated market on which the securities issued are traded: Bucharest Stock Exchange

Significant event to report: Summary of financial results for Quarter III year 2023

Reporting includes:

- Unaudited Stand-alone Interim Simplified Financial Statements on 30 September 2023
- Quarterly report on the activity of NPG "Transelectrica" S.A. for the period January-September 2023

Total operational revenues of Transelectrica recorded a decrease of 32% compared to the same period of the previous year (3,308 million lei at 9M 2023 compared to 4,884 million lei in 9M 2022), in the context of the significant decrease in revenues from zero-profit activities (balancing market, technological system services) and the production of intangible assets - additional OTC, concomitant with the 2.1 TWh decrease in the amount of electricity delivered to consumers (37.44 TWh in 9M 2023 compared to 39.50 TWh in 9M 2022).

Total operating expenses (including depreciation) incurred in 9M 2023 decreased by 30% compared to the same period of the previous year (RON 3,078 million in 9M 2023 compared to RON 4,388 million in 9M 2022), mainly from zero-profit activities (balancing market), expenses for the purchase of electricity for own technological consumption and expenses related to services provided by third parties.

The net result at the end of 9M 2023 in the amount of 207 million lei, registered a decrease of 212 million lei compared to that recorded in the same period of the previous year, mainly due to the fact that in the current year the amounts recorded as income from the capitalization of OTC were below those of the same period of the previous year (2.7 million in 9M 2023 vs 279.2 million in 9M 2022). This special income, was constituted for the part of the total OTC cost that was not covered by the transport tariff. We specify that this revenue is of non-monetary nature, its collection will be made by the Company spread out through the transport tariff over the next five years (2023-2027) in accordance with the relevant legislative provisions.

The Company's management applies a prudent approach towards reducing Transelectrica's costs, and one of the main concerns is the permanent consolidation and expansion of the transmission infrastructure, by modernising it based on the most efficient technologies, thus ensuring the necessary conditions for the electricity transmission network to meet current and future market requirements.

Profit-allowed activities segment: On the main area of core activities (transmission and SEN dispatching) there was a 14% decrease in revenues (1,504 million lei in 9M 2023 compared to 1,740 million lei in 9M 2022) decrease mainly due to the reduction of revenues from OTC capitalization and revenues from interconnection capacity allocation. The decrease in revenues from interconnection (255 million lei in 9M 2023 compared to 315 million lei in 9M 2022) is mainly due to the level of utilization in the period under review of the interconnection capacity availability by traders in the electricity market.

The costs with energy purchase to cover own technological consumption (OTC) amounted to 377 million lei, 41% lower (-259 million lei) compared to January-September 2022, mainly influenced by the provisions of art.23[^]1 of GEO no.153/2022. Transelectrica purchased electricity to cover about 75% of the quantity related to the OTC forecast validated through the Centralized Electricity Purchase Mechanism (MACEE), at a regulated purchase price.

The measures taken at European level to make energy consumption more efficient, the replacement of Russian gas, the reduction of demand in the industrial area, as well as the increase in the share of wind energy, in the context of an atypically warm winter, led to a decrease in the consumption of quantities traded on the short-term markets and energy prices on these markets. Thus, the average price of energy purchased on the daily and intraday market in the first 9 months was 48% lower than the price in the same period of 2022, while remaining higher than the price in previous years.

The zero-profit activities segment recorded a negative result of 90 million lei, a decrease compared to the same period of the previous year. The regulatory framework specific to zero-profit activities contains regularization mechanisms that ensure the compensation of excess or deficit of revenues compared to the level of expenses required to carry out these activities.

Indicators	M.U.	9M 2023	9M 2022	Δ
Financial				
Charged quantity	[TWh]	37.44	39.50	▼ 5%
PROFIT-ALLOWED ACTIVITIES				
Average transmission tariff (achieved)	[lei/MWh]	30.37	26.46	▲ 15%
Total revenue, of which:	[mil lei]	1,504	1,740	▼ 14%
<i>Regulated transmission tariff income</i>	<i>[mil lei]</i>	<i>1,137</i>	<i>1,045</i>	<i>▲ 9%</i>
<i>Interconnection revenue</i>	<i>[mil lei]</i>	<i>255</i>	<i>315</i>	<i>▼ 19%</i>
<i>Grid losses anticipatory tariff income</i>	<i>[mil lei]</i>	<i>2.7</i>	<i>279.2</i>	<i>▼ 99%</i>
Total expenses, of which:	[mil lei]	931	1,081	▼ 14%
<i>Grid losses Expenses</i>	<i>[mil lei]</i>	<i>377</i>	<i>636</i>	<i>▼ 41%</i>
EBITDA	[mil lei]	573	659	▼ 13%
Amortization	[mil lei]	252	193	▲ 30%
EBIT	[mil lei]	320	466	▼ 31%
ZERO-PROFIT ACTIVITIES				
EBIT	[mil lei]	(90)	30	▼ n/a
ALL ACTIVITIES (with Profit-Allowed and Zero-Profit)				
EBIT	[mil lei]	231	496	▼ 54%
Net profit	[mil lei]	207	418	▼ 51%
Operational				
Net internal consumption	[TWh]	38.1	40.8	▼ 7%
Net internal production	[TWh]	40.8	39.5	▲ 3%
Net Export (-)/Import (+)	[TWh]	-2.8	1.3	▼ n/a

In the period January-September 2023, electricity consumption at SEN level recorded monthly decreases ranging from 2.77% in August to 11.61% in January. Thus, the first nine months of 2023 ended with a decrease in consumption of 7%, while production increased by 3%.

Compared to 9M 2022 in 9M 2023 there was an overall increase in export capacity utilisation, commercial exchanges for the export of energy (+68%) as well as energy transited, amid higher hydroelectricity compared to last year and lower internal electricity consumption compared to the same period in 2022.

In September 2023, three project files were submitted to the Ministry of Economy for funding from the Modernisation Fund, with a total value of €141.7 million.

The Report on the Company's activity for the period January-September 2023 and the Stand-alone Interim Simplified Financial Statements on 30 September 2023 are available as of 14 November 2023, as follows:

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

Ștefăniță MUNTEANU
Directorate Chairman

Florin-Cristian TĂTARU
Directorate Member