



# Transelectrica SA

**Transmission and System Operator**  
of the Romanian Electrical Power System

We lead the power

**Financial results**

**1Q 2023**

(01.01.2023 – 31.03.2023)

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](http://www.transelectrica.ro).

### FINANCIAL NUMBERS (preliminary):

*reporting period:* 1<sup>st</sup> January 2023 – 31<sup>st</sup> march 2023

*reporting standard:* International Financial Reporting Standards (IFRS)

*basis/scope:* standalone (unconsolidated)

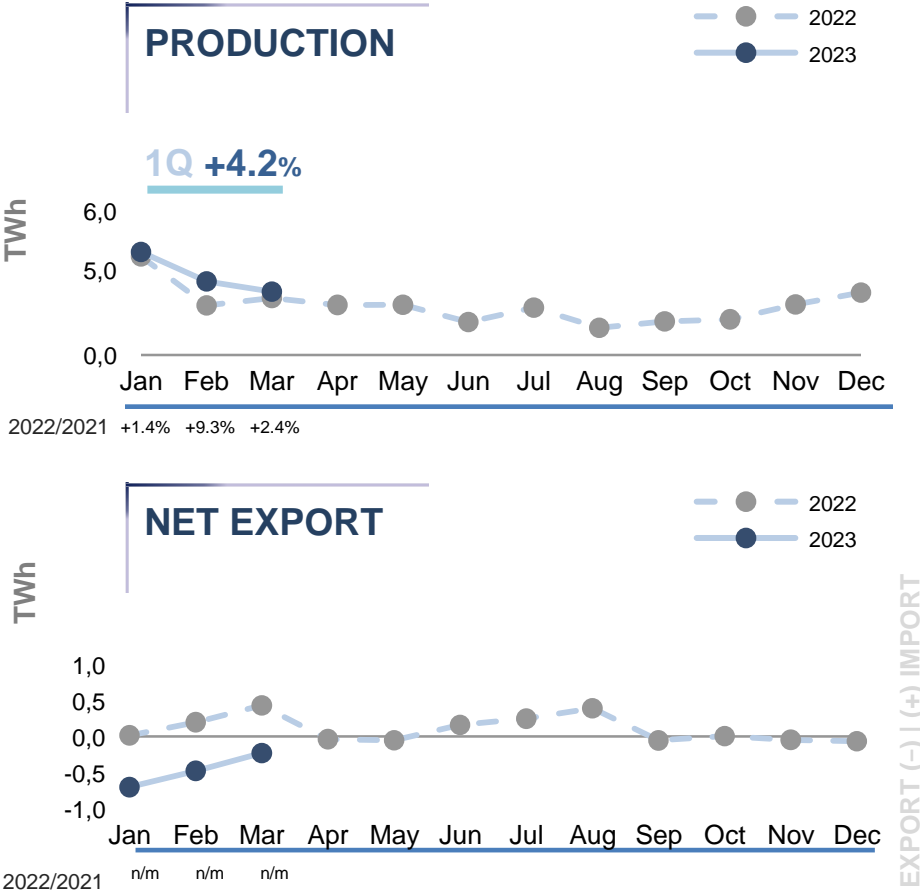
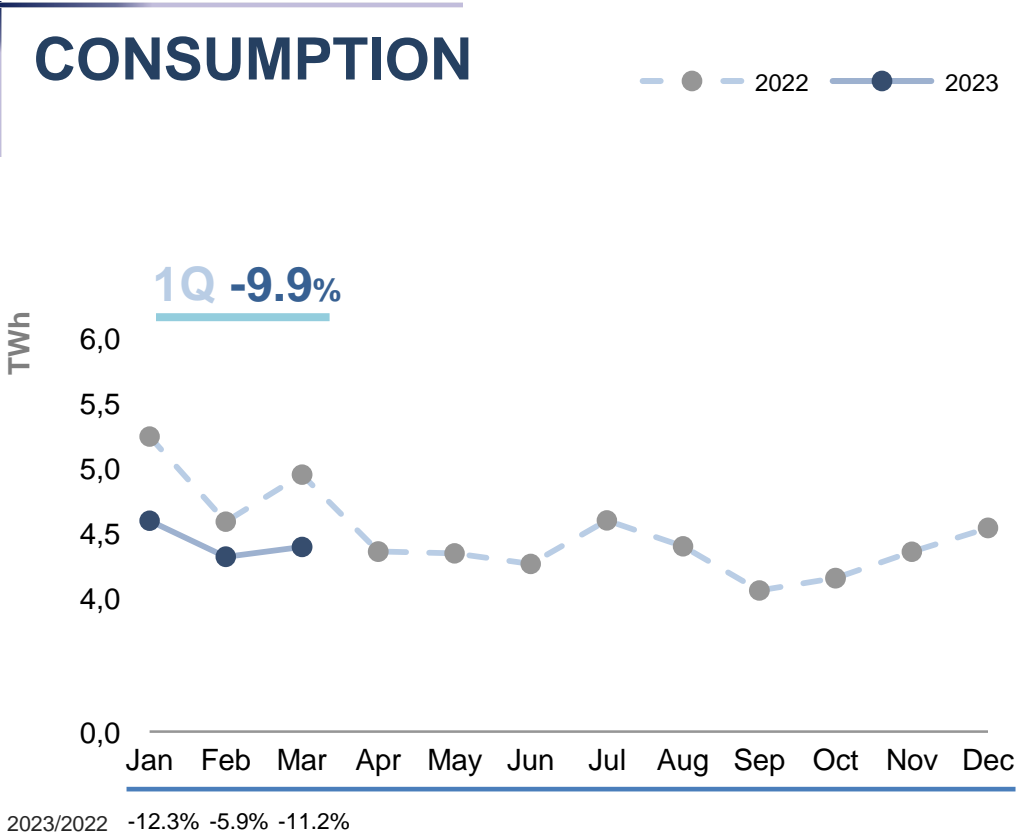
*external audit:* unaudited

*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 -9.9% y.o.y.  
Domestic production +4.2% 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

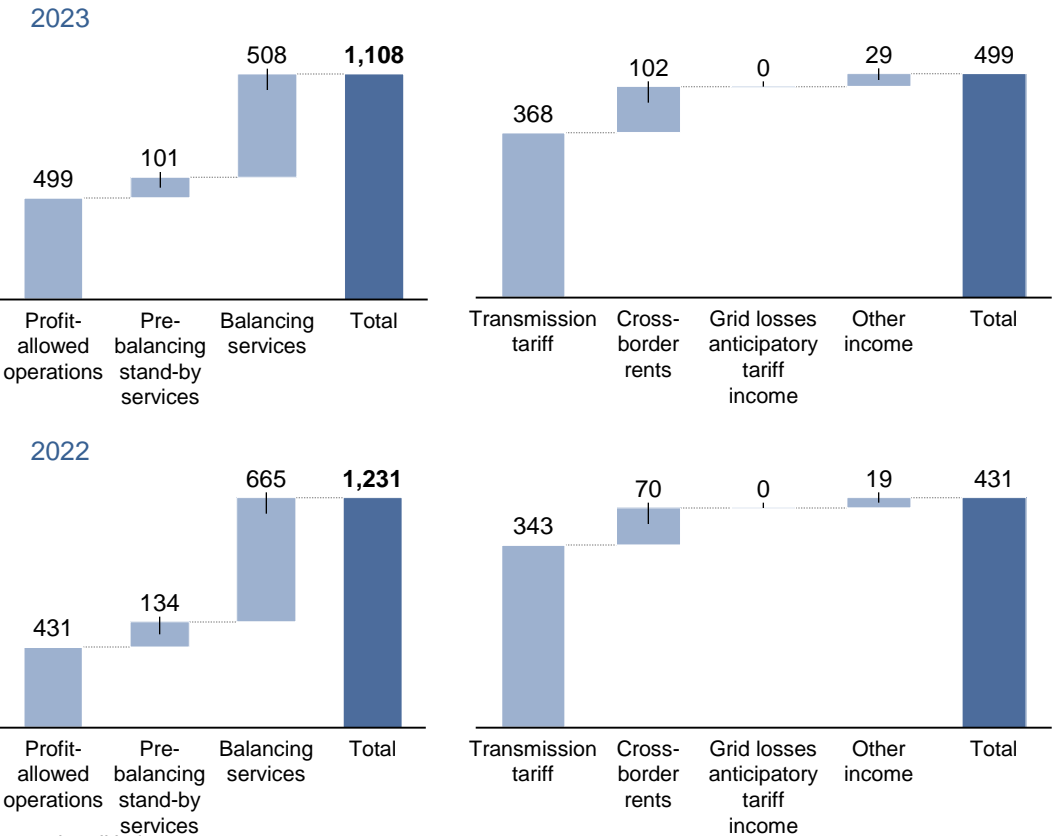
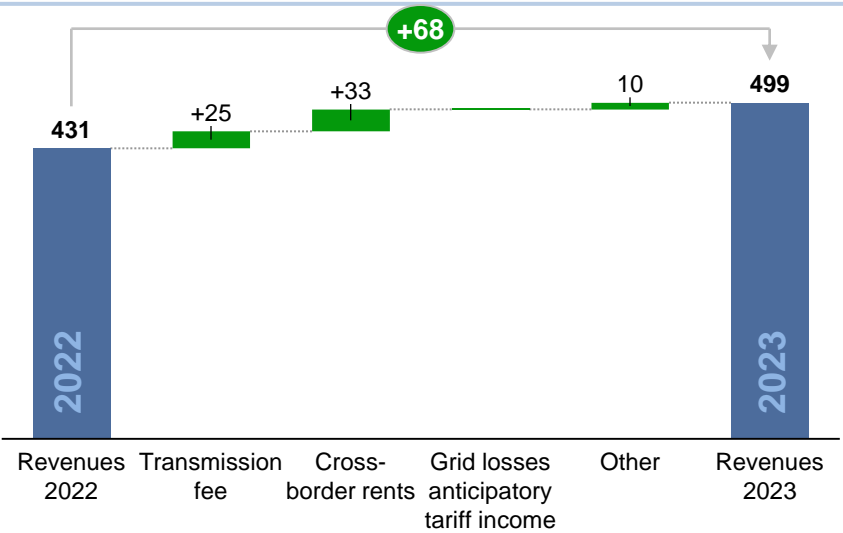


Chart unit: mil Lei

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 (+17%) offsetting lower volume (-9%)
  - ▲ Higher income from the sale of energy in the spot and balancing markets (excess energy purchased to offset grid losses)



Operations | Costs

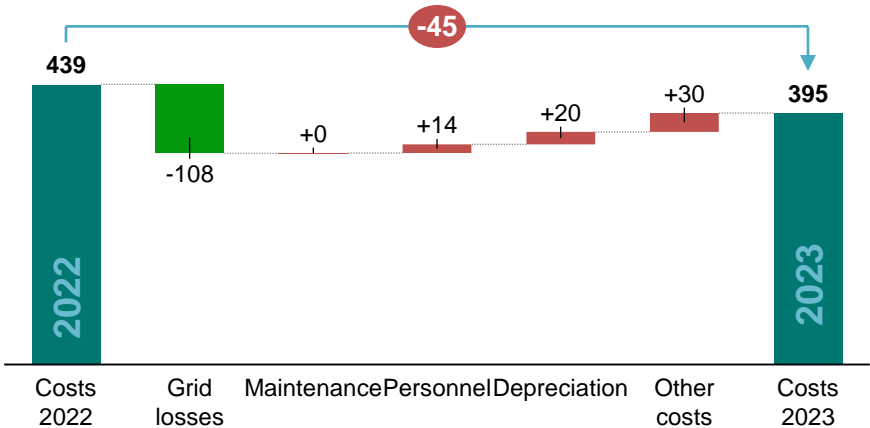
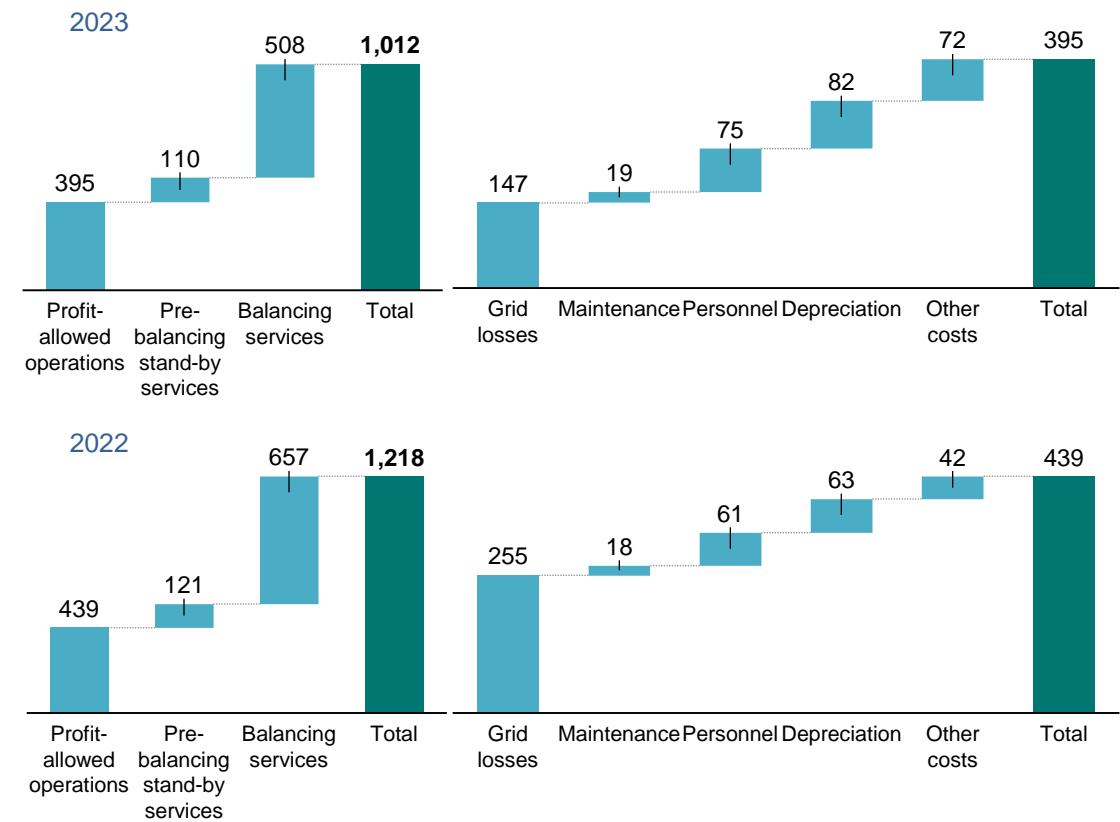
Operational expenses

Operational expenses

ALL OPERATIONS

PROFIT-ALLOWED OPERATIONS

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



DRIVERS BEHIND THE EVOLUTION OF COSTS

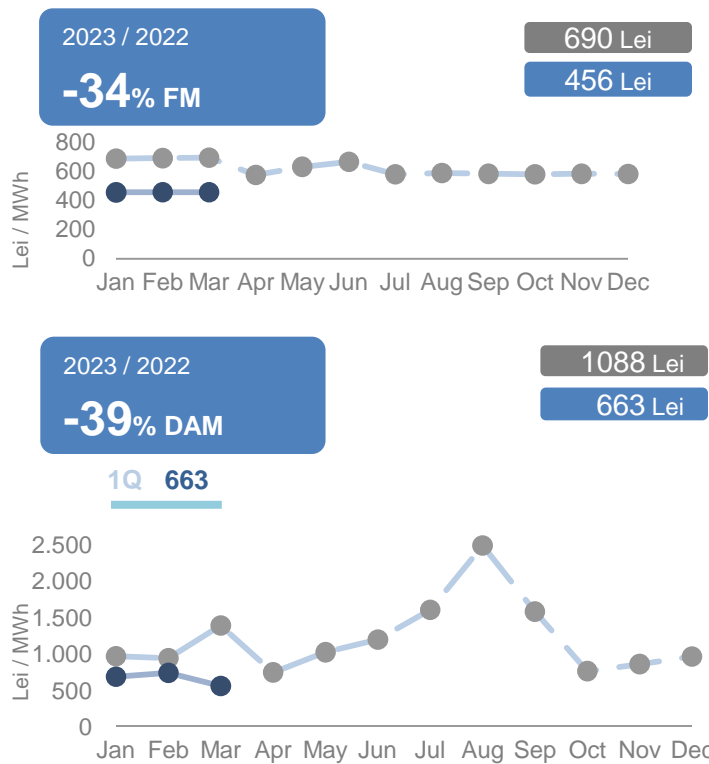
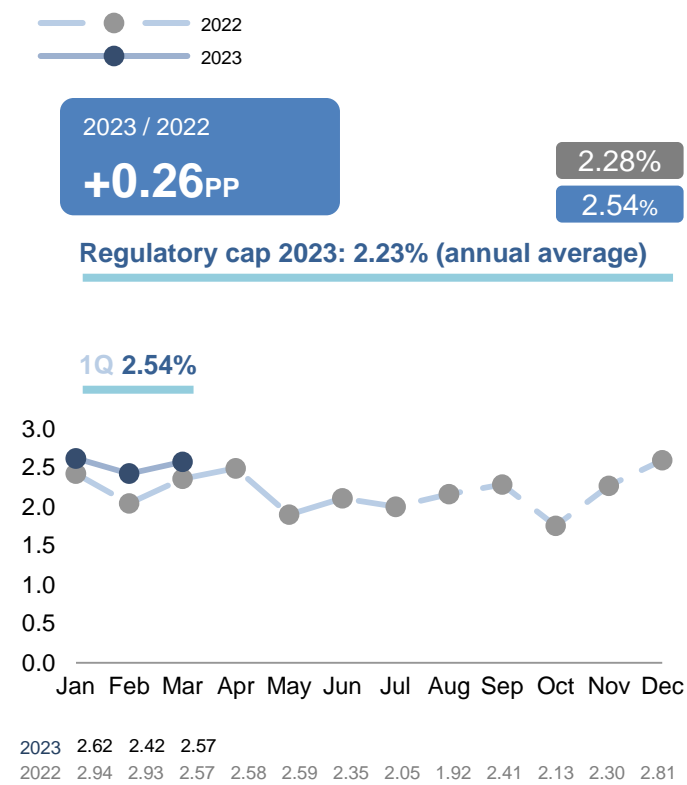
- ▼ Grid losses (lower purchase prices both in the open market and in the Government-designed contractual framework for the forward purchase of electricity at a fixed price of 450 Lei/MWh)
- ▲ Depreciation (mainly grid losses assets\* created in 2022), personnel costs, cross-border transit costs (Inter-TSO-Compensation), 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

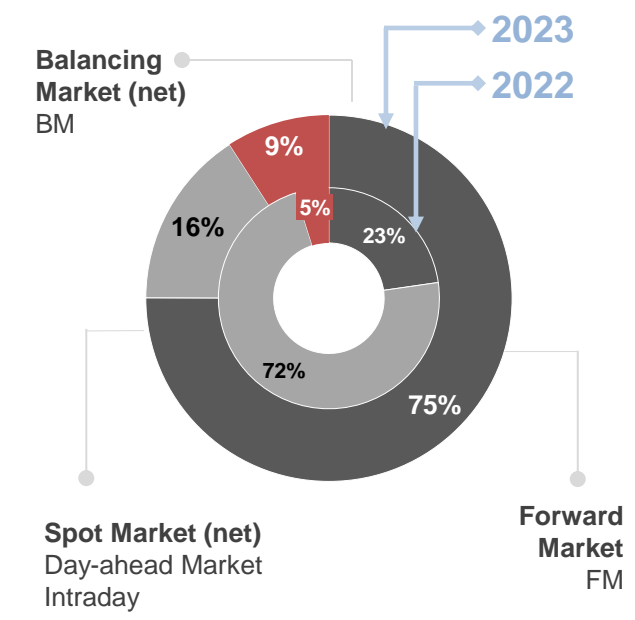
Chart unit: mil Lei



WE LEAD THE POWER



## Operational costs | grid losses



### GRID LOSSES

**10.66 TWh**  
GRID IN-TAKE VOLUME IN 1Q2023

**10.39 TWh**  
GRID OFF-TAKE VOLUME IN 1Q2023

**2.54% (0.27TWh)**  
GRID LOSSES 1Q2023

### PRICES PAID PER MARKET

**456 Lei/MWh (▼ 34%)**  
FORWARD MARKET (FM)

**663 Lei/MWh (▼ 39%)**  
DAY-AHEAD MARKET (DAM)

**373 Lei/MWh (▼ 58%)**  
BALANCING MARKET (BM) (Net, BRP fee included)

### AVERAGE PRICE / PURCHASE MIX

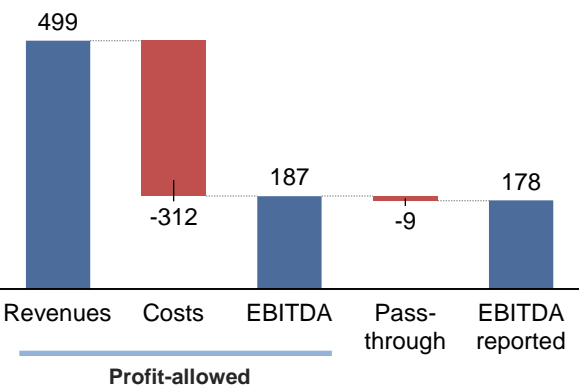
**483 Lei/MWh (▼ 51%)**  
CROSS-MARKET AVERAGE PRICE PAID

**75%FM / 16%SPOT / 9%BM (1Q2023)**  
PURCHASE MIX (VOLUMES)

**23%FM / 72%SPOT / 5%BM (1Q2022)**  
PURCHASE MIX (VOLUMES)

FROM REVENUES TO EBITDA

2023



2022

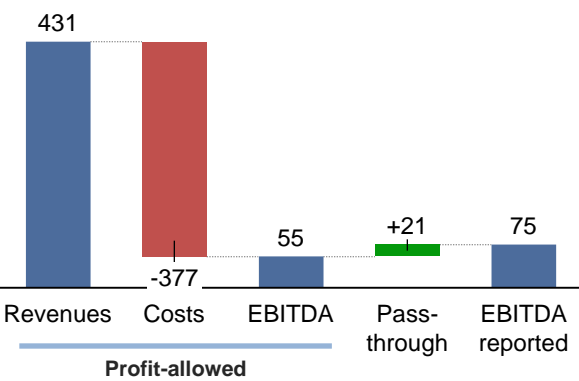
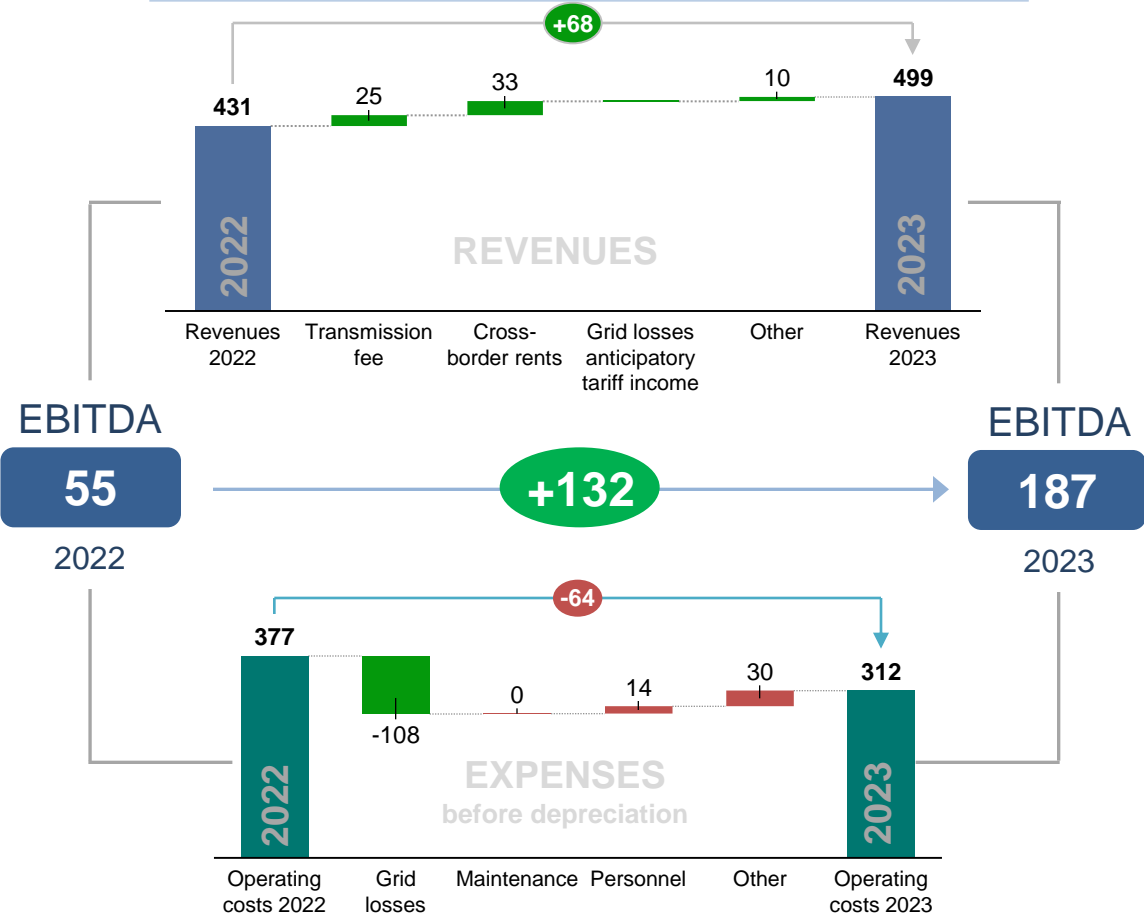


Chart unit: mil Lei

EBITDA BREAKDOWN (PROFIT-ALLOWED)



From EBITDA to Net income

FROM EBITDA TO NET INCOME

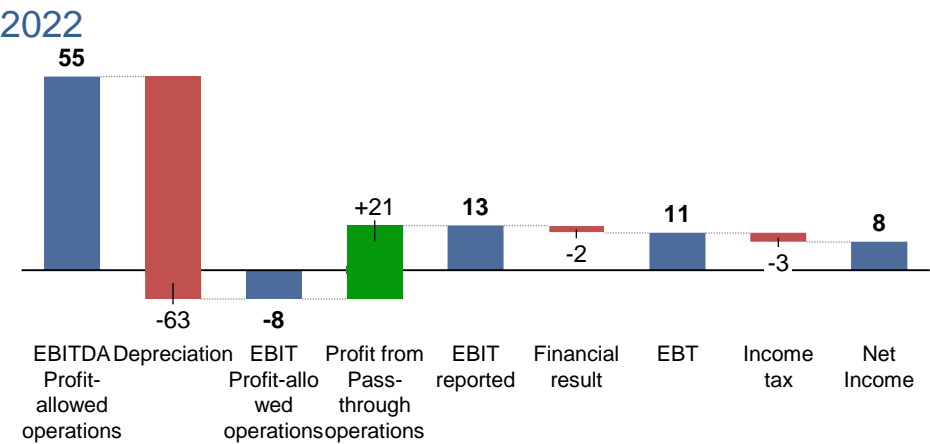
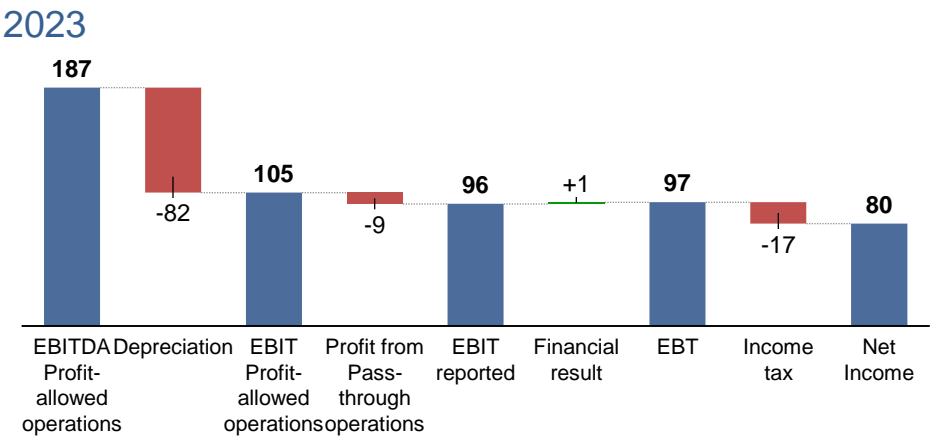
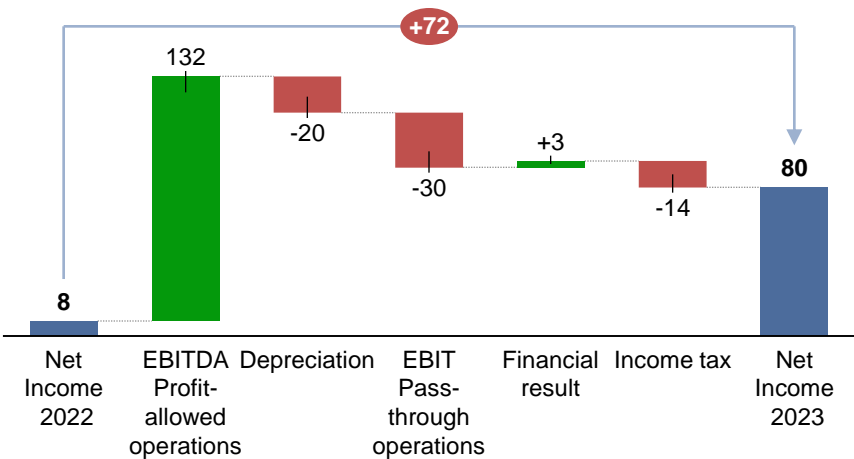


Chart unit: mil Lei

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 1Q2022

123  
Lei m

### New contracts

Total aggregate amount for contracts signed in 1Q2023

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



76  
Lei m

### Capital expenditure

Amounts added to construction-work-in-progress in 1Q2023

- Selected items:
- 17 mil lei - New internal line Gutinas-Smardan
  - 6 mil lei - New internal line Portile de Fier - Resita
  - 5 mil lei - Capacity increase of internal line Stejaru- Fantanele



56  
Lei m

### Assets commissioned

Amounts transferred from construction-work-in-progress to fixed assets in 1Q2022

- Selected items:
- 32 mil lei - Modernization of Ungheni substation
  - 21 mil lei - Modernization of Dumbrava substation



of which RAB: 56 Lei m



Thank you for your attention!



# Romanian Electricity Transmission Network



[Lei m]	1Q 2023 IFRS unaudited	1Q 2022 IFRS unaudited		
Billed volume [TWh]	13.01	14.35	▼	9.3%
<b>Profit-allowed operations</b>				
<b>Operational revenues</b>	<b>499</b>	<b>431</b>	▲	15.7%
Operational revenues   Transmission	487	419	▲	16.3%
Operational revenues   Transmission   Regulated fee	368	343	▲	7.4%
Operational revenues   Transmission   Cross-border rents	102	70	▲	46.9%
Operational revenues   Transmission   Other	17	7	▲	155.2%
Operational revenues   Dispatching	0	0	▼	-
Operational revenues   Dispatching   Regulated fee	0	0	-	-
Operational revenues   Dispatching   Unplanned cross-border flows	0	0	▼	-
Operational revenues   Dispatching   Emergency energy assistance to neighboring	0	0	-	-
Operational revenues   Other income	12	13	▼	2.6%
Operational revenues   Other income   Grid losses anticipatory tariff income	0	0	-	-
Operational revenues   Other income   Other income	12	13	▼	2.6%
<b>Operational costs</b>	<b>312</b>	<b>377</b>	▼	17.1%
Operational costs   System operation	171	274	▼	37.3%
Operational costs   System operation   Grid losses	147	255	▼	42.3%
Operational costs   System operation   Congestion relief	0	0	▼	-
Operational costs   System operation   Power consumption in grid substations	11	12	▼	6.0%
Operational costs   System operation   Inter-TSO-Compensation	13	6	▲	111.2%
Operational costs   System operation   Other	0	0	-	-
Operational costs   Maintenance	19	18	▲	1.8%
Operational costs   Personell	75	61	▲	22.5%
Operational costs   Other	48	24	▲	98.4%
<b>EBITDA</b>	<b>187</b>	<b>55</b>	▲	242.1%
Operational costs   Depreciation and amortization	82	63	▲	31.2%
<b>EBIT</b>	<b>105</b>	<b>-8</b>	▲	-
<b>Pass-through operations</b>				
<b>Operational revenues</b>	<b>609</b>	<b>799</b>	▼	23.8%
Operational revenues   System service	101	134	▼	24.9%
Operational revenues   Balancing service	508	665	▼	23.6%
<b>Operational costs</b>	<b>618</b>	<b>778</b>	▼	20.7%
Operational costs   System service	110	121	▼	9.6%
Operational costs   Balancing service	508	657	▼	22.7%
<b>EBIT</b>	<b>-9</b>	<b>21</b>	▼	-
<b>All operations (profit-allowed and pass-through)</b>				
Operational revenues	1,108	1,231	▼	10.0%
Operational costs	930	1,155	▼	19.5%
<b>EBITDA</b>	<b>178</b>	<b>75</b>	▲	136.1%
Operational costs   Depreciation and amortization	82	63	▲	31.2%
<b>EBIT</b>	<b>96</b>	<b>13</b>	▲	655.9%
Financial result	1	-2	▲	-
<b>EBT</b>	<b>97</b>	<b>11</b>	▲	818.8%
Income tax	-17	-3	▼	563.2%
<b>Net Income</b>	<b>80</b>	<b>8</b>	▲	899.3%

## TRANSELECTRICA S.A.



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### **Executive Board**

**Stefanita Munteanu**

**Chair (CEO)**

**Catalin Constantin Nadolu**

**Member**

**Florin Cristian Tataru**

**Member**

**Bogdan Toncescu**

**Member**





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