



# Transelectrica SA

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

We lead the power

**Financial results**

**9M 2023**

(01.01.2023 – 30.09.2023)

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 – 30<sup>th</sup> September 2023

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

*basis/scope:* standalone (unconsolidated)

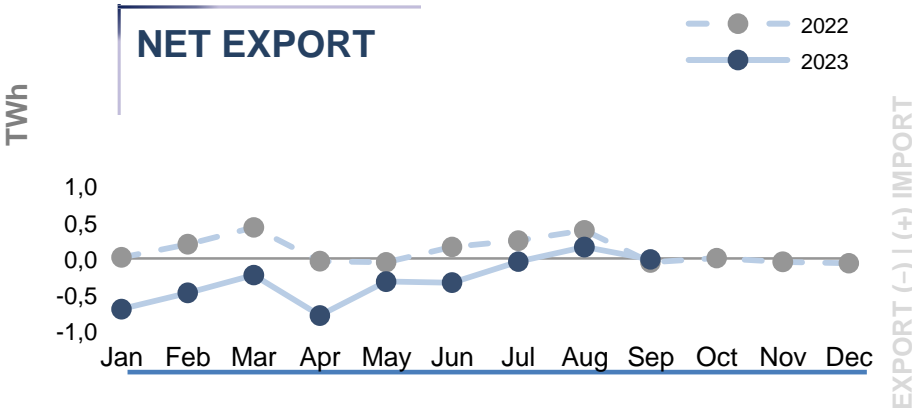
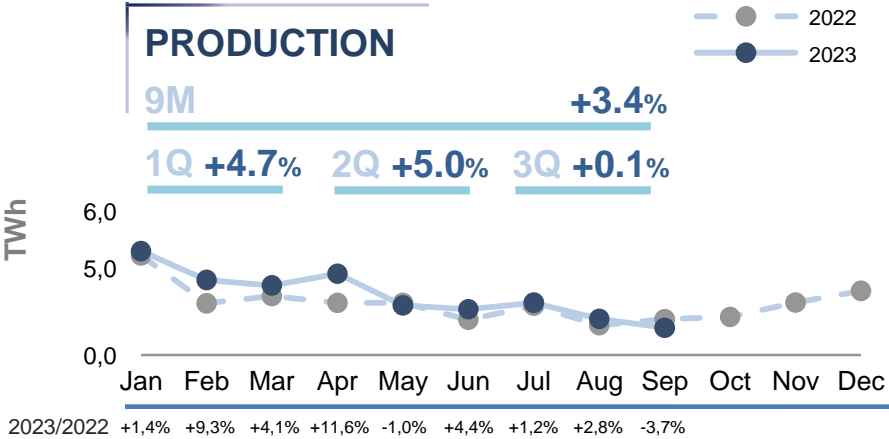
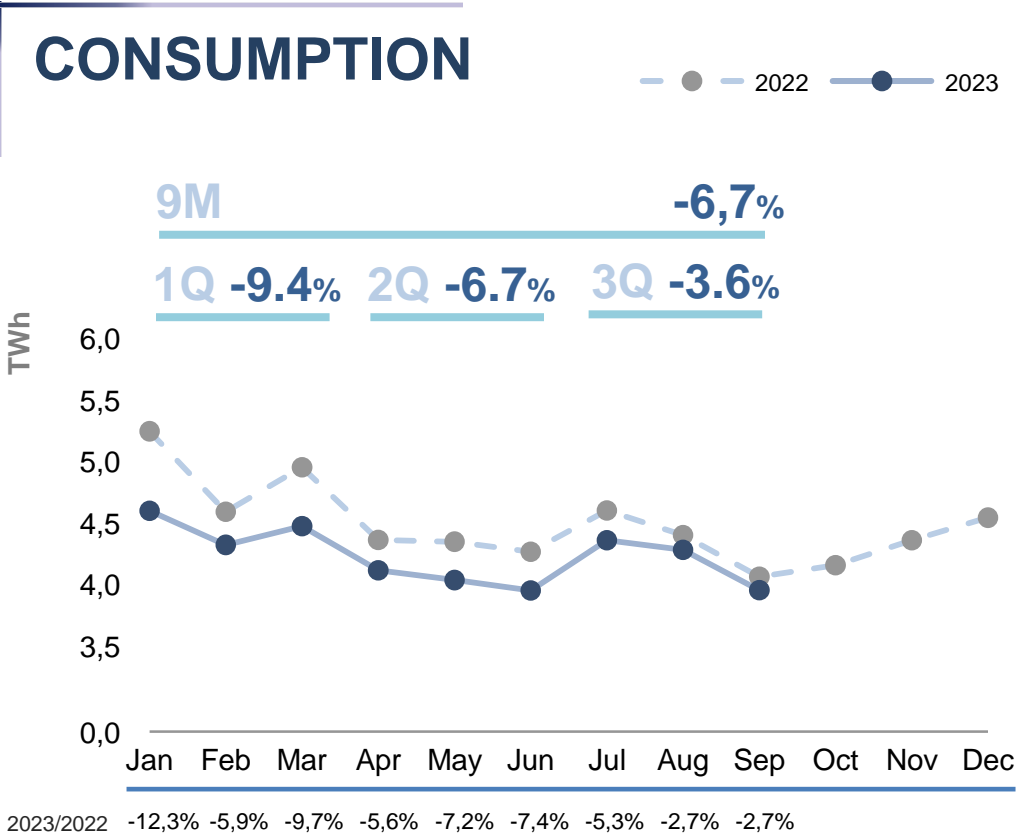
*external audit:* unaudited

*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 -6.7% y.o.y.  
Domestic production +3.4% 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

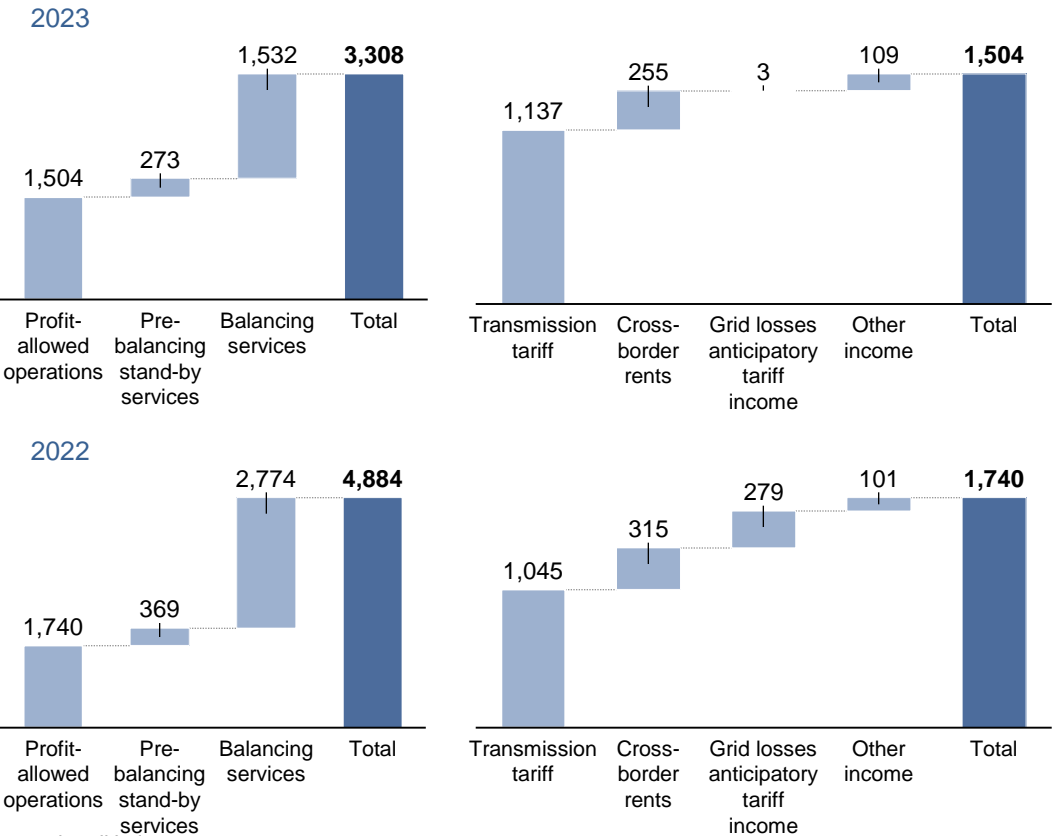
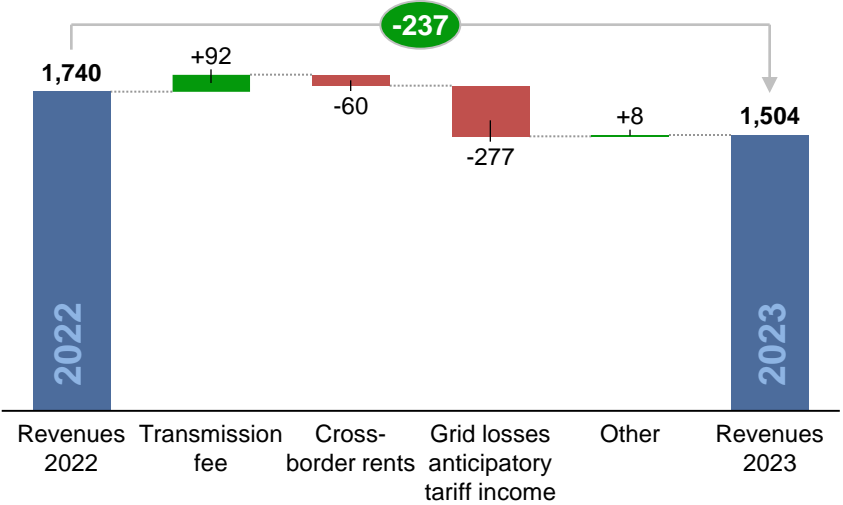


Chart unit: mil Lei

Operational revenues

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



DRIVERS BEHIND THE DECLINE IN REVENUES

- ▲ Higher transmission revenue. Higher tariff (+15%) has offset lower volume (-5%)
- ▼ Lower cross-border capacity income (base effect of surging market demand for cross-border trading in 3Q 2022)
- ▼ Lower grid losses anticipatory income (base effect of the sizeable amount booked in 3Q 2022 for 1-3Q 2022)

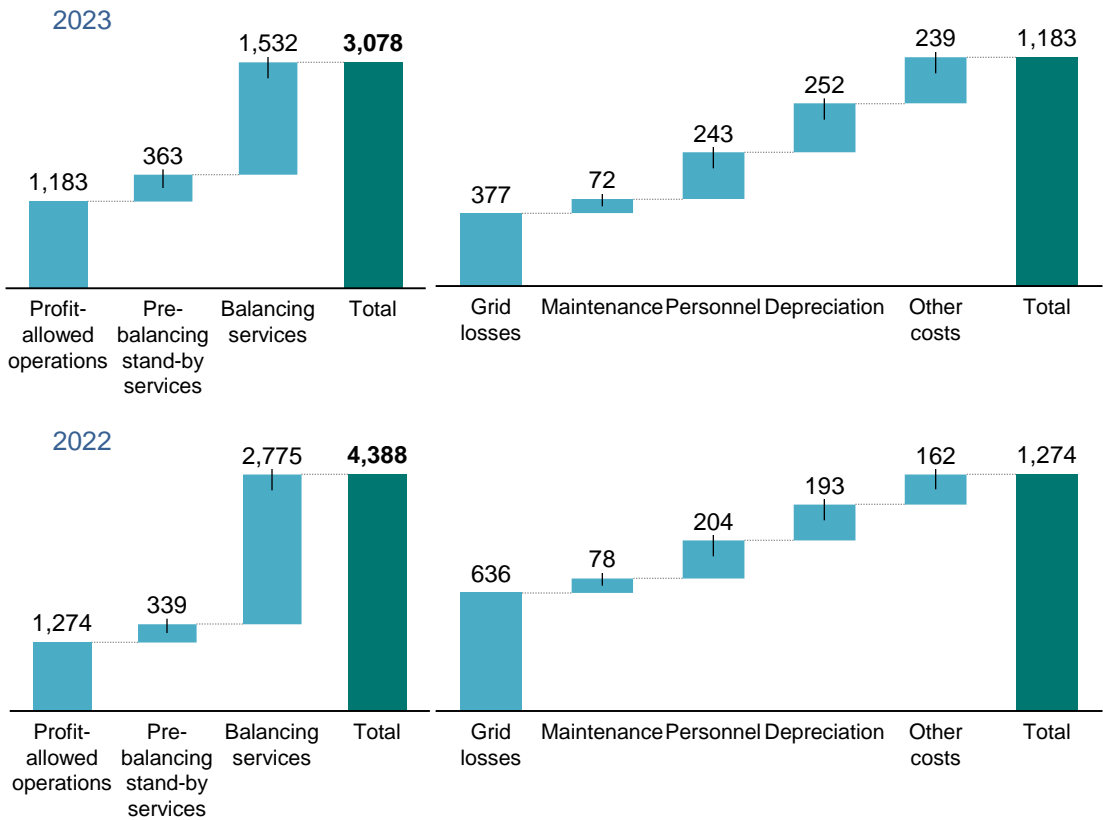


Operations | Costs

Operational expenses

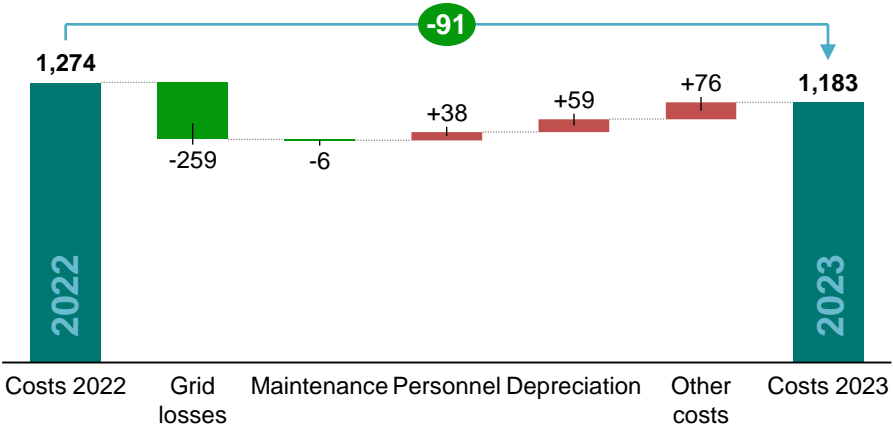
ALL OPERATIONS

PROFIT-ALLOWED OPERATIONS



Operational expenses

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), cross-border transit costs (Inter-TSO-Compensation), personnel costs
- \*as per Government Emergency Ordinance 119/2022

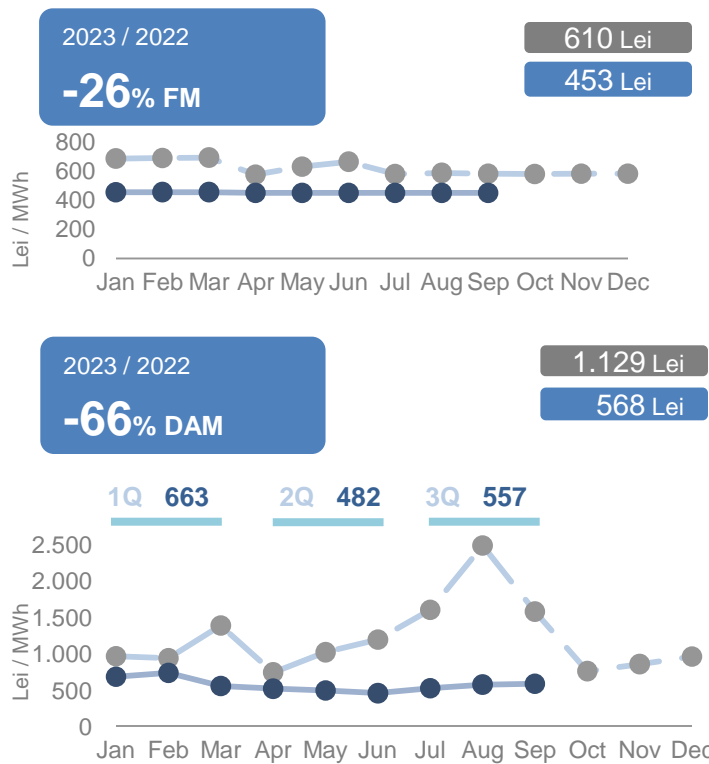
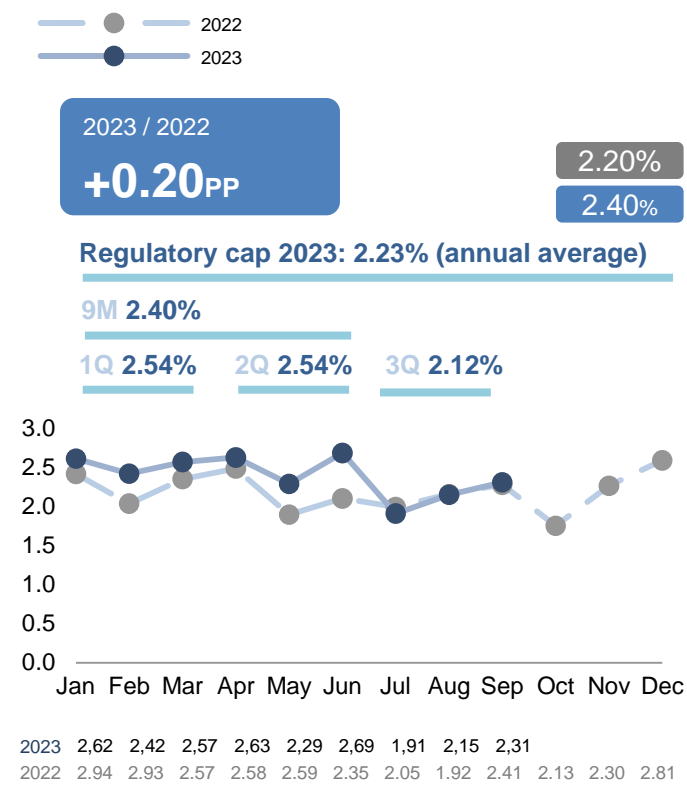
Chart unit: mil Lei



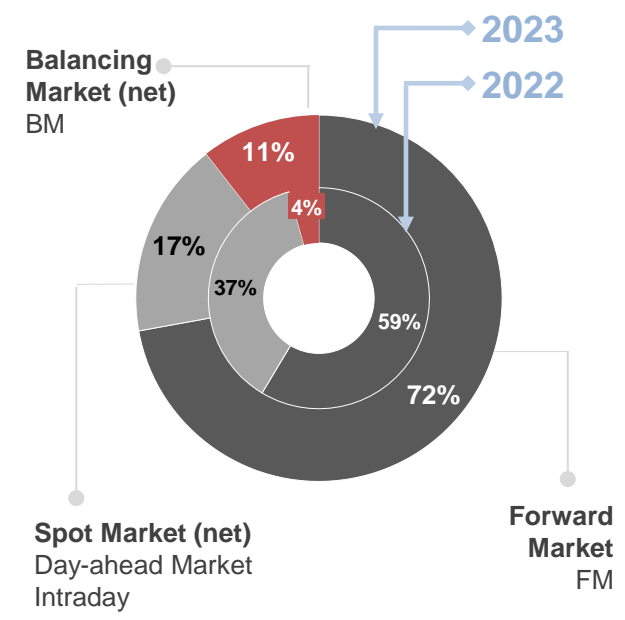
WE LEAD THE POWER

# Results 9M2023

# Financial results



## Operational costs | grid losses



### GRID LOSSES

**30.76 TWh**  
GRID IN-TAKE VOLUME IN 9M2023

**30.03 TWh**  
GRID OFF-TAKE VOLUME IN 9M2023

**2.40% (0.73TWh)**  
GRID LOSSES 9M2023

### PRICES PAID PER MARKET

**453 Lei/MWh (▼ 26%)**  
FORWARD MARKET (FM)

**568 Lei/MWh (▼ 66%)**  
DAY-AHEAD MARKET (DAM)

**412 Lei/MWh (▼ 66%)**  
BALANCING MARKET (BM) (Net, BRP fee included)

### AVERAGE PRICE / PURCHASE MIX

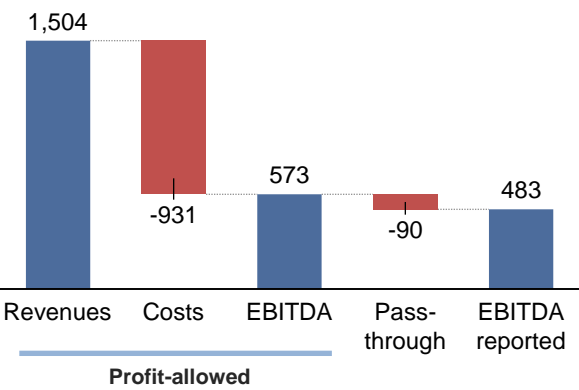
**471 Lei/MWh (▼ 43%)**  
CROSS-MARKET AVERAGE PRICE PAID

**72%FM / 17%SPOT / 11%BM (9M2023)**  
PURCHASE MIX (VOLUMES)

**59%FM / 37%SPOT / 4%BM (9M2022)**  
PURCHASE MIX (VOLUMES)

FROM REVENUES TO EBITDA

2023



2022

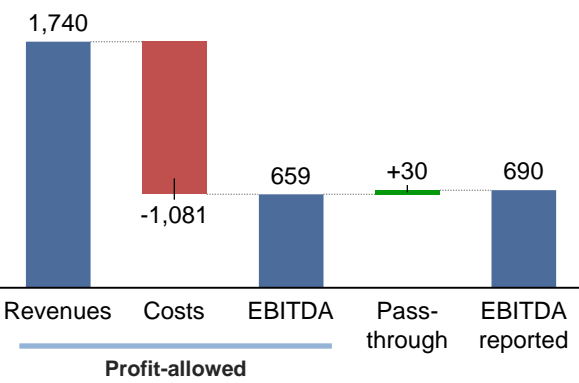
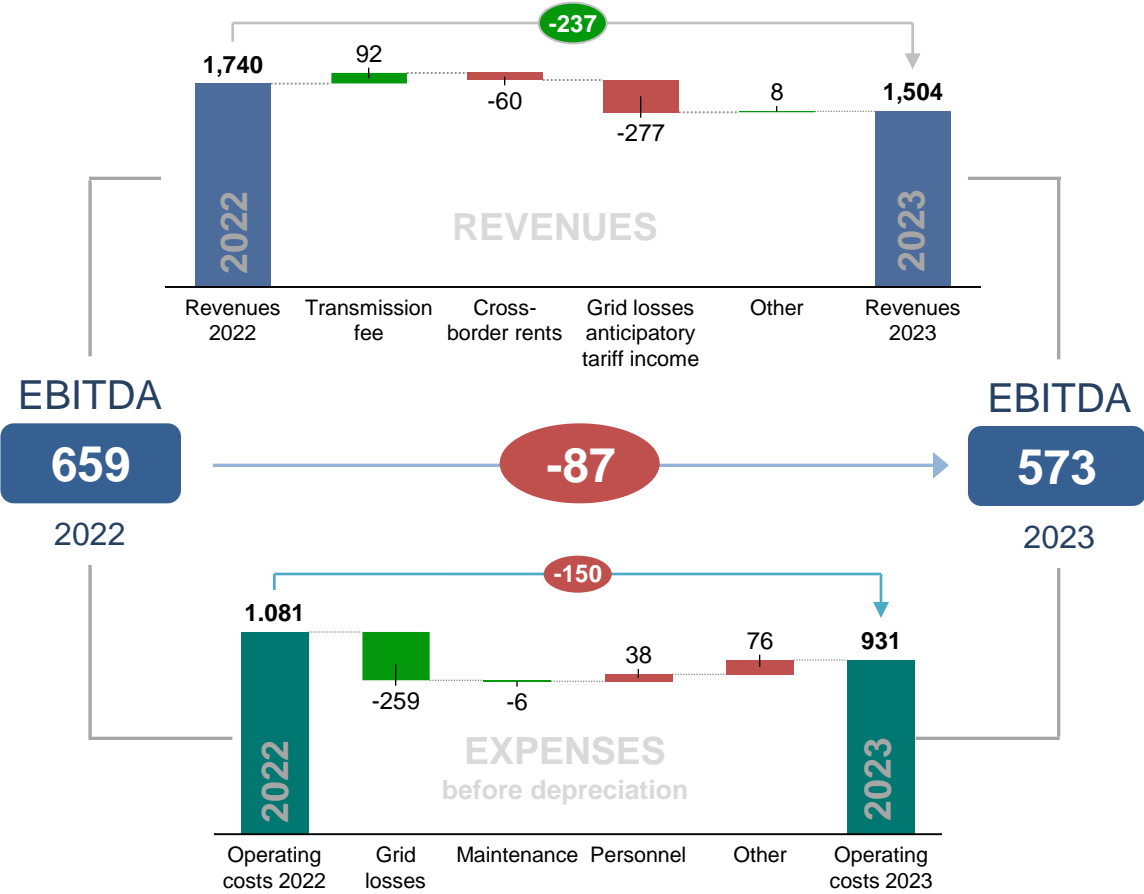


Chart unit: mil Lei

EBITDA BREAKDOWN (PROFIT-ALLOWED)



From EBITDA to Net income

FROM EBITDA TO NET INCOME

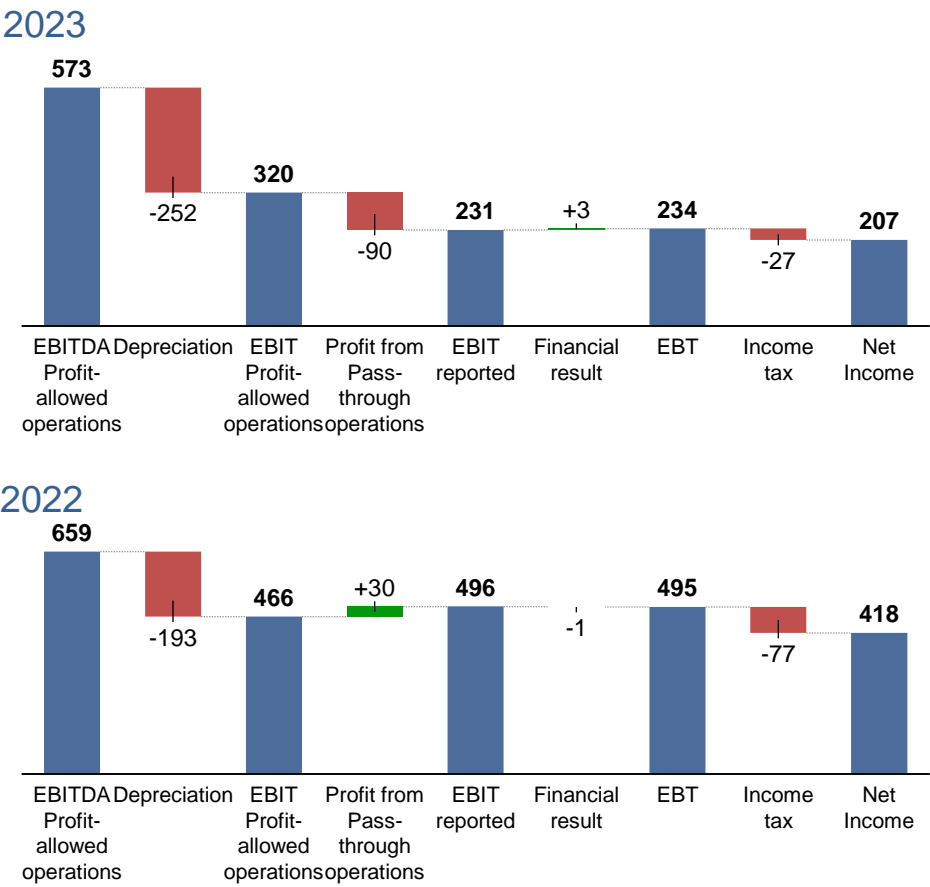
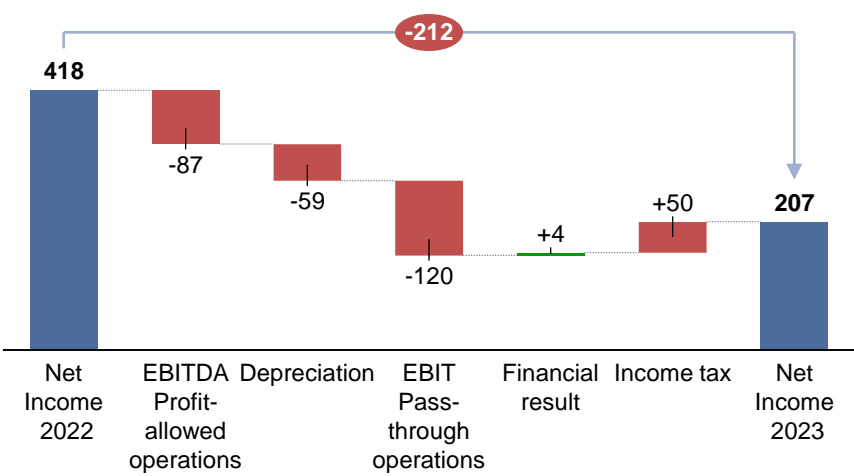


Chart unit: mil Lei

NET INCOME BREAKDOWN



MAIN DRIVERS BEHIND  
THE DECREASE IN NET INCOME

- ▼ EBITDA from core operations (transmission) mainly driven by:
  - (i) Lower cross-border income (congestion rents)
  - (ii) Higher OPEX (Inter-TSO-Compensation, personnel, services, taxes)
- ▼ EBIT from pass-through operations (significant progress made in the regulatory-controlled process of clearing the backlog of temporary gains accumulated in previous years)



Delivered in 9M2023

489  
Lei m

### New contracts

Total aggregate amount for contracts signed in 9M2023

- Selected items:
- 260 mil lei - Installation of two modern reactive power compensation means in Bradu
  - 72 mil lei - New substation 400 kV Arefu
  - 59 mil lei – Increasing the degree of security in the supply of consumers in Bucharest South Station



330  
Lei m

### Capital expenditure

Amounts added to construction-work-in-progress in 9M2023

- Selected items:
- 61 mil lei - New internal line Gutinas-Smardan
  - 35 mil lei - RO-BG intermediate connections in Medgidia substation
  - 25 mil lei – Switching to 400kV Porțile de Fier - (Anina) – Reșița



544  
Lei m

### Assets commissioned

Amounts transferred from construction-work-in-progress to fixed assets in 9M2023

- Selected items:
- 354 mil lei - New internal line Cernavoda-Stalpu
  - 47 mil lei - Modernization of Munteni substation
  - 40 mil lei – Modernization of substation Arefu



of which RAB: 167 Lei m

Note: The biggest investment commissioned in 9M2023 is a cluster of assets consisting of a new transmission line (Cernavoda-Stalpu) and related connection works in two substations. Assets' total value: 373 Lei m (of which 354 Lei m the line). The assets were financed with a mix of EU grants (Connecting Europe Facility) and cross-border congestion income therefore the assets are not included in the RAB



Thank you for your attention!



# Romanian Electricity Transmission Network



[Lei m]	9M 2023 IFRS unaudited	9M 2022 IFRS unaudited		3Q 2023 IFRS unaudited	3Q 2022 IFRS unaudited		2Q 2023 IFRS unaudited	2Q 2022 IFRS unaudited		1Q 2023 IFRS unaudited	1Q 2022 IFRS unaudited	
Billed volume [TWh]	37.44	39.50 ▼	5.2%	12.47	12.59 ▼	1.0%	11.97	12.56 ▼	4.7%	13.01	14.35 ▼	9%
<b>Profit-allowed operations</b>												
<b>Operational revenues</b>	<b>1,504</b>	<b>1,740 ▼</b>	<b>13.6%</b>	<b>511</b>	<b>883 ▼</b>	<b>42.1%</b>	<b>494</b>	<b>426 ▲</b>	<b>15.8%</b>	<b>499</b>	<b>431 ▲</b>	<b>16%</b>
Operational revenues   Transmission	1,439	1,416 ▲	1.6%	480	583 ▼	17.7%	472	414 ▲	14.1%	487	419 ▲	16%
Operational revenues   Transmission   Regulated fee	1,137	1,045 ▲	8.8%	390	351 ▲	11.0%	380	351 ▲	8.1%	368	343 ▲	7%
Operational revenues   Transmission   Cross-border rents	255	315 ▼	19.1%	74	188 ▼	60.8%	79	57 ▲	38.0%	102	70 ▲	47%
Operational revenues   Transmission   Other	47	56 ▼	16.3%	16	44 ▼	62.7%	14	6 ▲	147.8%	17	7 ▲	155%
Operational revenues   Dispatching	19	10 ▲	97.7%	16	10 ▲	62.0%	4	0 ▲	9506.6%	0	0 ▼	-
Operational revenues   Dispatching   Regulated fee	0	0 -	-	0	0 -	-	0	0 -	-	0	0 -	-
Operational revenues   Dispatching   Unplanned cross-border flows	0	0 ▼	-	0	0 ▼	-	0	0 ▼	-	0	0 ▼	-
Operational revenues   Dispatching   Emergency energy assistance to neighboring	19	10 ▲	100.7%	16	10 ▲	63.8%	4	0 ▲	-	0	0 -	-
Operational revenues   Other income	45	315 ▼	85.6%	15	290 ▼	94.8%	18	12 ▲	45.3%	12	13 ▼	3%
Operational revenues   Other income   Grid losses anticipatory tariff income	3	279 ▼	99.0%	3	279 ▼	99.0%	0	0 -	-	0	0 -	-
Operational revenues   Other income   Other income	43	35 ▲	20.9%	12	10 ▲	20.2%	18	12 ▲	45.3%	12	13 ▼	3%
<b>Operational costs</b>	<b>931</b>	<b>1,081 ▼</b>	<b>13.9%</b>	<b>324</b>	<b>367 ▼</b>	<b>11.7%</b>	<b>295</b>	<b>338 ▼</b>	<b>12.6%</b>	<b>312</b>	<b>377 ▼</b>	<b>17%</b>
Operational costs   System operation	470	681 ▼	31.1%	162	215 ▼	24.6%	136	192 ▼	29.6%	171	274 ▼	37%
Operational costs   System operation   Grid losses	377	636 ▼	40.7%	116	202 ▼	42.5%	114	179 ▼	36.3%	147	255 ▼	42%
Operational costs   System operation   Congestion relief	0	0 ▼	-	0	0 -	-	0	0 ▲	-	0	0 ▼	-
Operational costs   System operation   Power consumption in grid substations	28	30 ▼	4.8%	3	9 ▼	70.2%	14	9 ▲	62.6%	11	12 ▼	6%
Operational costs   System operation   Inter-TSO-Compensation	64	16 ▲	310.7%	44	5 ▲	848.6%	7	5 ▲	51.0%	13	6 ▲	111%
Operational costs   System operation   Other	0	0 ▼	-	0	0 -	-	0	0 ▼	-	0	0 -	-
Operational costs   Maintenance	72	78 ▼	7.4%	28	37 ▼	23.6%	25	23 ▲	11.8%	19	18 ▲	2%
Operational costs   Personell	243	204 ▲	18.8%	85	72 ▲	16.9%	83	71 ▲	17.4%	75	61 ▲	22%
Operational costs   Other	147	117 ▲	25.2%	48	42 ▲	15.5%	51	51 ▼	1.3%	48	24 ▲	98%
<b>EBITDA</b>	<b>573</b>	<b>659 ▼</b>	<b>13.1%</b>	<b>187</b>	<b>516 ▼</b>	<b>63.7%</b>	<b>199</b>	<b>89 ▲</b>	<b>124.2%</b>	<b>187</b>	<b>55 ▲</b>	<b>242%</b>
Operational costs   Depreciation and amortization	252	193 ▲	30.5%	85	65 ▲	30.7%	85	65 ▲	29.7%	82	63 ▲	31%
<b>EBIT</b>	<b>320</b>	<b>466 ▼</b>	<b>31.2%</b>	<b>102</b>	<b>451 ▼</b>	<b>77.3%</b>	<b>114</b>	<b>23 ▲</b>	<b>391.6%</b>	<b>105</b>	<b>-8 ▲</b>	<b>-</b>
<b>Pass-through operations</b>												
<b>Operational revenues</b>	<b>1,805</b>	<b>3,144 ▼</b>	<b>42.6%</b>	<b>598</b>	<b>1,397 ▼</b>	<b>57.2%</b>	<b>598</b>	<b>947 ▼</b>	<b>36.9%</b>	<b>609</b>	<b>799 ▼</b>	<b>24%</b>
Operational revenues   System service	273	369 ▼	26.2%	83	118 ▼	29.2%	89	118 ▼	24.7%	101	134 ▼	25%
Operational revenues   Balancing service	1,532	2,774 ▼	44.8%	514	1,280 ▼	59.8%	510	830 ▼	38.6%	508	665 ▼	24%
<b>Operational costs</b>	<b>1,894</b>	<b>3,114 ▼</b>	<b>39.2%</b>	<b>647</b>	<b>1,388 ▼</b>	<b>53.4%</b>	<b>630</b>	<b>947 ▼</b>	<b>33.5%</b>	<b>618</b>	<b>778 ▼</b>	<b>21%</b>
Operational costs   System service	363	339 ▲	7.0%	132	108 ▲	22.0%	121	110 ▲	10.6%	110	121 ▼	10%
Operational costs   Balancing service	1,532	2,775 ▼	44.8%	515	1,280 ▼	59.8%	509	838 ▼	39.2%	508	657 ▼	23%
<b>EBIT</b>	<b>-90</b>	<b>30 ▼</b>	<b>-</b>	<b>-49</b>	<b>10 ▼</b>	<b>-</b>	<b>-32</b>	<b>0 ▼</b>	<b>-</b>	<b>-9</b>	<b>21 ▼</b>	<b>-</b>
<b>All operations (profit-allowed and pass-through)</b>												
Operational revenues	3,308	4,884 ▼	32.3%	1,109	2,280 ▼	51.4%	1,092	1,374 ▼	20.5%	1,108	1,231 ▼	10%
Operational costs	2,826	4,195 ▼	32.6%	970	1,754 ▼	44.7%	925	1,285 ▼	28.0%	930	1,155 ▼	19%
<b>EBITDA</b>	<b>483</b>	<b>690 ▼</b>	<b>30.0%</b>	<b>138</b>	<b>526 ▼</b>	<b>73.7%</b>	<b>166</b>	<b>89 ▲</b>	<b>87.7%</b>	<b>178</b>	<b>75 ▲</b>	<b>136%</b>
Operational costs   Depreciation and amortization	252	193 ▲	30.5%	85	65 ▲	30.7%	85	65 ▲	29.7%	82	63 ▲	31%
<b>EBIT</b>	<b>231</b>	<b>496 ▼</b>	<b>53.5%</b>	<b>53</b>	<b>461 ▼</b>	<b>88.4%</b>	<b>82</b>	<b>23 ▲</b>	<b>251.0%</b>	<b>96</b>	<b>13 ▲</b>	<b>656%</b>
Financial result	3	-1 ▲	-	1	2 ▼	18.7%	1	-1 ▲	-	1	-2 ▲	-
<b>EBT</b>	<b>234</b>	<b>495 ▼</b>	<b>52.8%</b>	<b>55</b>	<b>462 ▼</b>	<b>88.2%</b>	<b>82</b>	<b>23 ▲</b>	<b>263.5%</b>	<b>97</b>	<b>11 ▲</b>	<b>819%</b>
Income tax	-27	-77 ▲	64.4%	-10	-72 ▲	86.4%	-1	-3 ▲	65.5%	-17	-3 ▼	563%
<b>Net Income</b>	<b>207</b>	<b>418 ▼</b>	<b>50.6%</b>	<b>45</b>	<b>390 ▼</b>	<b>88.5%</b>	<b>81</b>	<b>20 ▲</b>	<b>306.0%</b>	<b>80</b>	<b>8 ▲</b>	<b>899%</b>

## 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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