



Transelectrica®

Societate Administrată în Sistem Dualist

The National Power Grid Company Transelectrica
Registered Office: 2-4 Otteni 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

No.15100/27.03.2024

**To: Bucharest Stock Exchange – Regulated Markets, Operations, Issuers Department
Financial Supervision Authority – General Supervision Division – Issuers Division**

Current report in accordance with the provisions of Law 24/2017, BSE Code and Regulation 5/2018 of FSA

Date of the current report: **March, 27, 2024**

Name of issuer Company: **NPG Transelectrica SA, managed under two tier system**

Headquarters: Bucharest 3rd district, Str. Olteni no. 2-4

Phone / fax numbers: 4021 3035 611 / 4021 3035 610

Single registration code: 13328043

RON Code: 254900OLXCOUQC90M036

Number in the Commercial Register: J40/8060/2000

Share capital subscribed and paid: 733,031,420 RON

Code RON: 254900OLXCOUQC90M036

Regulated market where the issued securities are transacted: Bucharest Stock Exchange

*From **March 27, 2024**, the stand-alone and consolidated financial statements for the year 2023, including both the annual reports related to the year 2023 and the reports of the auditor will be accessible in electronic format on the Company's internet page www.transelectrica.ro, in the Investor Relations –SGA section and are part of the materials included on the agenda of the shareholders' general ordinary annual assembly, convened for April 29 (30), 2024.*

Summary of financial individual results related to the year 2023

The year 2023 developed in a context marked by several challenges produced by the continuation of the energy crisis which had a significant impact on the activity of the business environment. Following this trend, Transelectrica has taken a cautious perspective and paid constant attention to adjust, in different contexts, the strategy regarding the economic – financial flow, so as to minimize the risks of exposure to instability or lack of predictability in the sphere of activity.

Thus, taking into consideration the national and European legislative Regulations related to the electrical energy market in the current situation, during the year 2023 the Company has registered total operational revenues in the amount of 4,718 mil RON, representing a decrease by 1,568 mil RON (-25%) compared to the previous year when total operational revenues were registered in the amount of 6,286 mil RON.

No.	operational revenues	M. U.	2023	2022
	Total operational revenues	<i>[RON mn]</i>	4,718	6,286
1	Revenue of activities with allowed profit , of which the main elements:	<i>[RON mn]</i>	2,090	2,319
	<i>Regulated transmission tariff revenues</i>	<i>[RON mn]</i>	<i>1,545</i>	<i>1,401</i>
	<i>Interconnection revenues</i>	<i>[RON mn]</i>	<i>343</i>	<i>399</i>
	<i>Other revenues (CPT capitalization)</i>	<i>[RON mn]</i>	<i>14</i>	<i>339</i>
2	Revenue of zero profit activities	<i>[RON mn]</i>	2,628	3,967

Within the segment of activities with allowed profit, compared to the previous year, at the end of the year 2023 it has been registered a decrease by 10% of revenues (from 2,319 mil RON in 2022 to 2,090 mil RON in the year 2023), mainly based on reducing the revenues from interconnection capacity allocation (-56 mil RON) as well as the revenues from OTC capitalization (-325 mil RON). At the same time the revenues obtained from transmission and other revenues from the electrical energy market increased (+ 58 mil RON), while the decrease in the amount of electricity delivered to consumers by 3%, simultaneously with the increase in the average tariff approved by ANRE.

Net revenues from interconnection capacity allocation are used to achieve investments in the power transmission network, in order to keep or increase the interconnection capacity. We also say again that

since September 30, 2022, the Company applies the provisions of G.E.O. 119/2022, through which the additional costs with the purchase of electrical energy made between January 1, 2022 – March 31, 2025, in order to cover the own technological consumption, compared to the costs acknowledged in the regulated tariffs, are quarterly capitalized. Thus, the Company registered revenues from OTC capitalization (non – monetary income) in the amount of 13.7 mil RON, significantly lower than in the year 2022 when they were in the amount of 338.5 mil RON.

The costs of the purchase of energy to cover own technological consumption (OTC) are in amount of 519 mil RON for the year 2023, lower by 308 mil RON than in the previous year (-37%), in the context of recording a net amount of OTC of 999 GWh, in slight increase compared to the amount of 959 GWh of the year 2022, purchased at average prices lower on all markets compared to the year 2022.

The segment of zero profit activities has also registered a significant decrease of revenues and costs on balancing market (-35%) compared to the year 2022, this segment having a weight of 56% in the total operational revenue recorded in 2023. Transelectrica is using the balancing market to ensure in real time the balance of consumption with production, to secure the safe and stable functioning of SEN (National Power System) and to manage any restriction within SEN.

During the year 2023 the revenues from system services have registered a decrease by 26% compared to the similar period of the last year (359 mil RON in the year 2023 compared to 488 mil RON in the year 2022), determined by the decrease of the tariff approved ANRE for these services, simultaneously with the reduction by 3% of the electrical energy quantity delivered to consumers. The expenses regarding the system services in the year 2023 have registered an increased value compared to the same period of 2022, the difference between the two periods of time being of 32 mil RON. In accordance with the legislation in force, non – zero monthly balances (revenue surpluses/deficit) resulting from such activities will be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE to the tariff in the years following the year in which they were registered.

Thus, the net result of the Company for all the activities (with allowed profit and zero profit) is 214 mil RON, down by 58% compared to 2022. In the context of the evolution of production and consumption of electrical energy at national and European level, lower revenues were registered from: the allocation of interconnection capacity, OTC transactions, breakdown assistance but also the increase of some elements of expenses such as: expenses with ITC, expenses with system services, some elements of expenses with services executed by third parties, as well as depreciation expenses (of which 68 mil RON represent expenses for the depreciation of intangible assets – additional OTC).

Indicators	M. U.	2023	2022	Δ
Financial				
Charged quantity	[TWh]	50.39	52.18	▼ 3%
ACTIVITIES WITH ALLOWED PROFIT				
Total revenues	[RON mn]	2,090	2,319	▼ 10%
Average transmission tariff (achieved)*	[RON/MWh]	30.65	26.85	▲ 14%
Revenue from transmission and other activities on energy market	[RON mn]	1,988	1,930	▲ 3%
EBITDA	[RON mn]	708	845	▼ 16%
Depreciation	[RON mn]	334	272	▲ 23%
EBIT	[RON mn]	374	573	▼ 35%
ZERO PROFIT ACTIVITIES				
EBIT	[RON mn]	(140)	21	n/a
ALL ACTIVITIES (WITH ALLOWED PROFIT AND ZERO PROFIT)				
EBIT	[RON mn]	234	594	▼ 61%
Net profit	[RON mn]	214	515	▼ 58%
Operational				
Net internal consumption	[TWh]	51.3	53.9	▼ 5%
Net internal production	[TWh]	54.4	52.7	▲ 3%
Export(-)/Import(+)	[TWh]	-3.1	1.2	n/a

*)the tariff for transmission service, in force since April 1, 2023, includes the main component of 28.61RON/MWh and the component related to additional costs with OTC of 2.59 RON/MWh (ANRE Decision no. 28/2023).

In the first ten months of the year 2023, the electrical energy consumption at SEN level has recorded monthly decreases, with values between 1.02% in October, namely 11.61% in January. Since November the consumption has recorded an increasing trend with values between 0.64% in November, namely 2.06% in December, the year 2023 ending with a reduction of consumption of 4.9%.

On December 31, 2023 the Investment Program was performed in percentage of 92.5% towards the Annual Program. The Company's Investment Plan for the next 10 years includes a complex investment program which pursue to reinforce the energy security, to digitalize and implement the SMART GRID concept, which will lead both to the increase of the capacity to integrate renewable energy into system and to the increase of interconnection capacity.

In applying the Directive 2003/87/CE of European Parliament and Council, on February 20, 2024 the Company signed with the Ministry of Energy the tenth financing contract from the Modernization Fund, namely to implement the pilot project „DigiTEL Green – Refurbishment of the 220/110/20kV Mostiștea station” with a non-reimbursable value of 48 million EURO.

The stand – alone and consolidated financial statements on December 31,2023 as well as the Annual reports regarding the activity of the Company during January – December 2023 are available since March 27, 2023, as it follows:

- *online, on website www.transelectrica.ro, section Investor Relations Periodical Reports/Reports,namely <https://www.transelectrica.ro/web/tel/aga> ;*

- *at the headquarters of the Company: Olteni street no. 2-4, district 3, Bucharest.*

Ștefăniță MUNTEANU

**Executive Director General
Chief Executive Officer**

Florin-Cristian TĂTARU

Directorate Member