



Investment Profile

# RED NORD

Electric Distribution Enterprise

Chisinau, Moldova, 2024



Guvernul Republicii Moldova  
Agenția Proprietății Publice





# Corporate Overview

**Name of the Enterprise:**

Rețelele Electrice de Distribuție Nord S.A.  
(hereinafter referred in this document as  
„RED NORD”)

**Industry Sector:**

Electric Energy Distribution

**Type of Enterprise:**

Joint-Stock Company

**Legal Status:**

100 % State-owned enterprise undergoing  
privatization

**State's Representative Body:**

Public Property Agency of Moldova

**Location:**

Balti, Republic of Moldova

**Year Established:**

1997

**Registered Capital:**

245.4 million MDL

RED NORD represents one of the two primary electricity distributors in Moldova and the unique distributor of electric energy serving the northern region of Moldova, catering to approx. **500,000 customers in 15 districts.**

## Discover Our Impressive Infrastructure & Assets

RED NORD manages a comprehensive infrastructure to ensure reliable electricity distribution across its service areas. The enterprise operates 13 strategically located territorial offices that enhance its presence and operational effectiveness throughout Northern Moldova. These offices are essential for managing and maintaining the energy distribution infrastructure, highlighting RED NORD's extensive reach and local engagement.

### RED NORD, through its 13 offices, manages overall:

10 kV overhead electrical lines

**6,802.8 km**

0.4 kV underground electrical networks

**481.4 km**

0.4 kV overhead electrical lines

**13,398.5 km**

Transformer stations

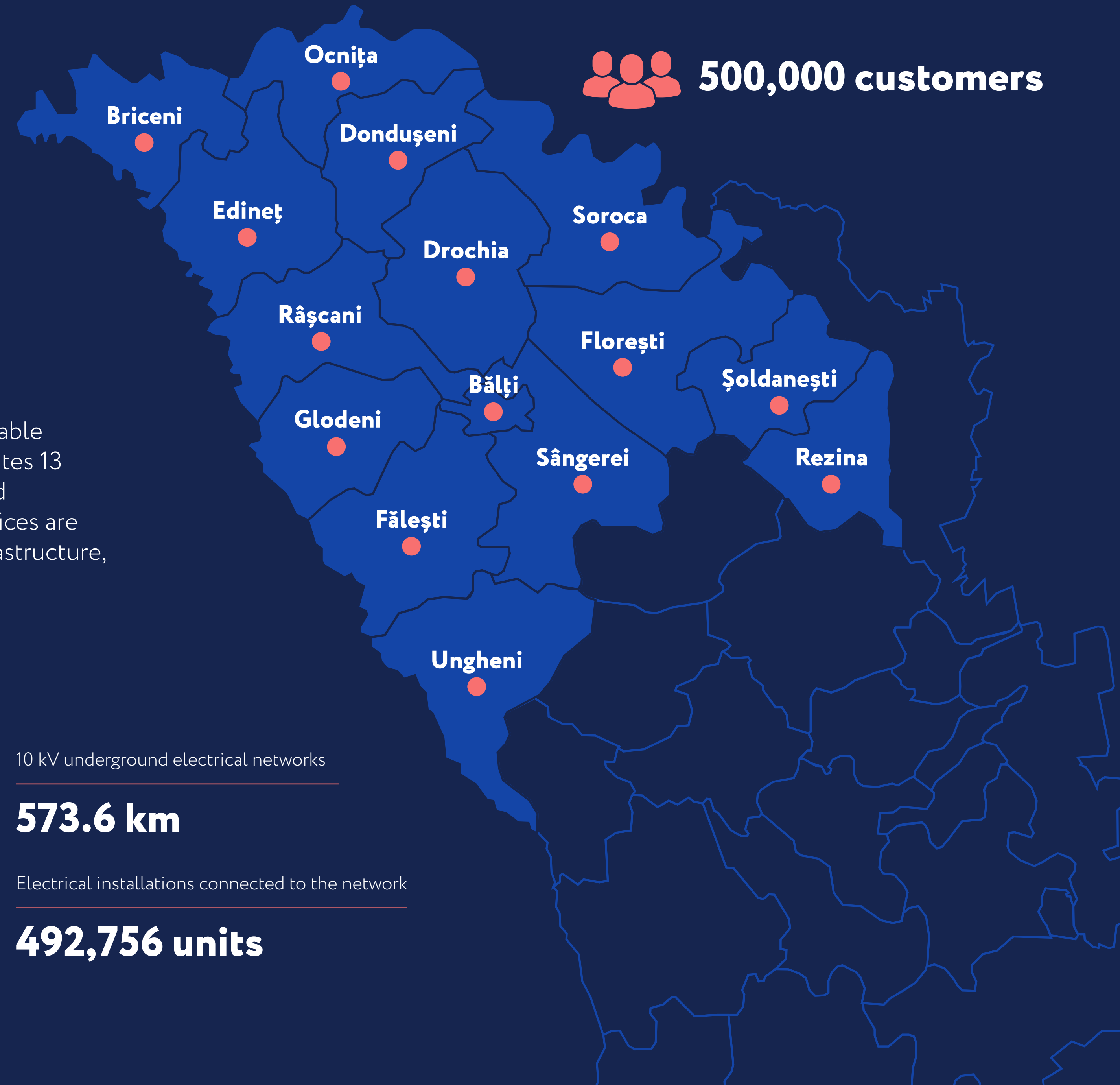
**5,718 units**

10 kV underground electrical networks

**573.6 km**

Electrical installations connected to the network

**492,756 units**



Besides energy distribution RED NORD provides a variety of **additional services:**

**Electricity Distribution:**

This includes the maintenance of distribution networks, network connections, and reading measurements from metering equipment.

**Design Activities:**

These cover the design of installations and technical-utility networks, as well as reconstructions.

**Auxiliary Services:**

Provision of ancillary services related to electricity distribution.

**Construction:**

Building electricity distribution networks.

**Transformer Production:**

Manufacturing power transformers ranging from 10 kVa to 250 kVa.



# Assets

The structure of the company's assets, determined by the nature of its activities, is dominated by **fixed assets**, whose value has reached **2,787.6 million MDL** or about 93.7% of total assets. These fixed assets include over 1,000 constructions, machines, and equipment, such as overhead power lines (LEA), underground power lines (LEC), transformers, and other electrical equipment.

## Equity capital, million MDL



## Fixed assets, million MDL

	2022	2023
<b>Intangible assets</b>	1.2	2.1
<b>Fixed assets</b>	2,684.9	2,705.2
<b>Financial assets</b>	0.4	0.4
<b>Other fixed assets</b>	83.9	83.9
<b>Total fixed assets</b>	2,770.4	2,787.6
<b>% of total assets</b>	92.8%	93.7%

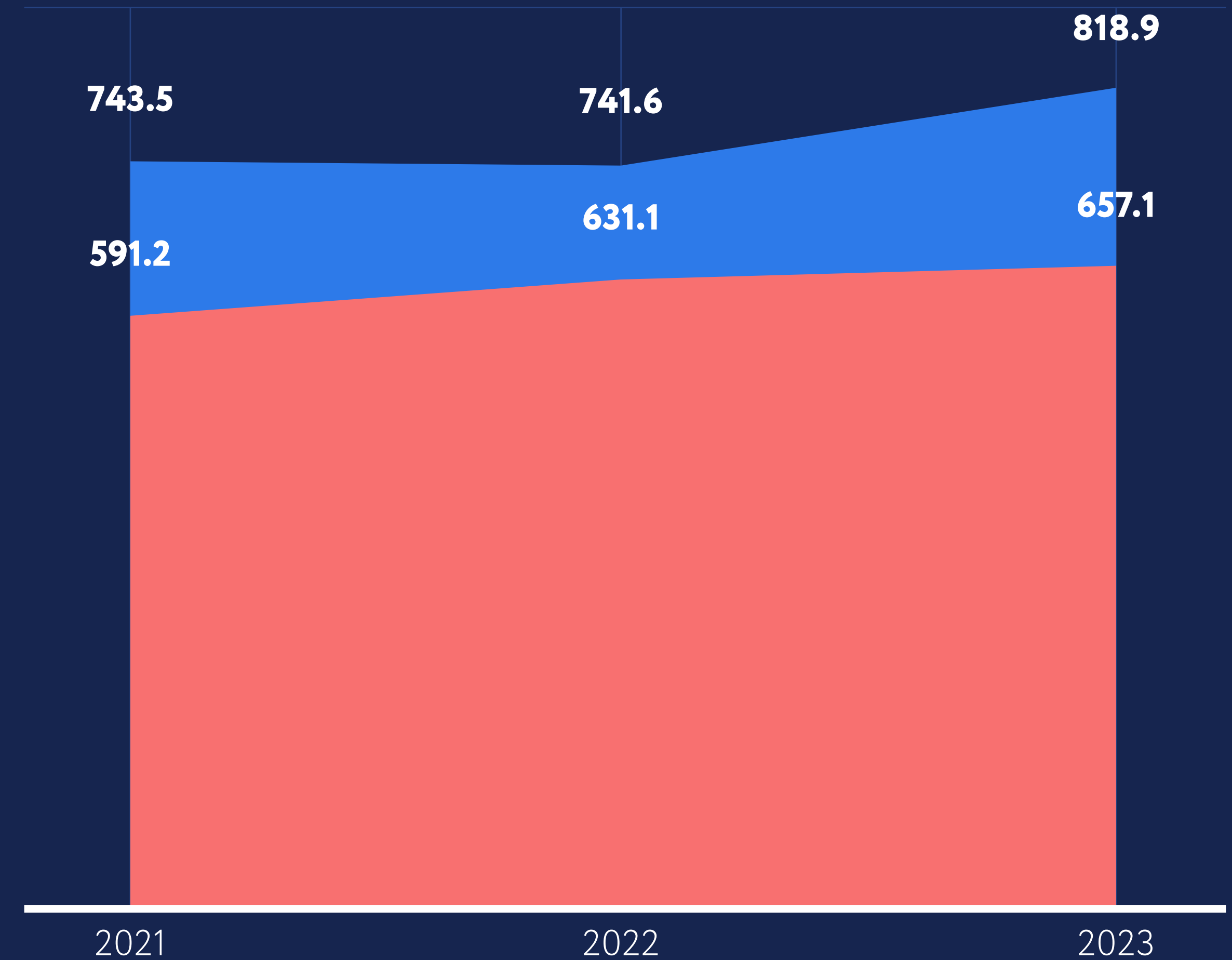
# Financial Overview

In 2021 and 2022, the company's revenue remained stable, slightly exceeding 740 million MDL. In 2023, revenue grew by 10.4% reaching 818.9 million MDL, driven by an increase in income from low-voltage electricity distribution services. The company's Cost of Sales also rose during the 2021-2022 period, with a 6.7% increase in 2022 and a further 4.1% increase in 2023, reaching 657.1 million MDL.

As of March 31, 2024, the company's financial position is solid, with positive financial performance reflecting robust economic stability. The distribution of electric energy saw a notable increase, with a 9.9% rise in the volume of electricity distributed in the first three months of 2024 compared to the same period in 2023.

**Revenues:** In the first quarter of 2024, the company's revenues increased by approximately 10.7% compared to the previous year. Revenue from the distribution of electric energy grew by 9.7%, and income from auxiliary services surged by 66% compared to the same period last year.

## Revenue / Cost of Sales, million MDL

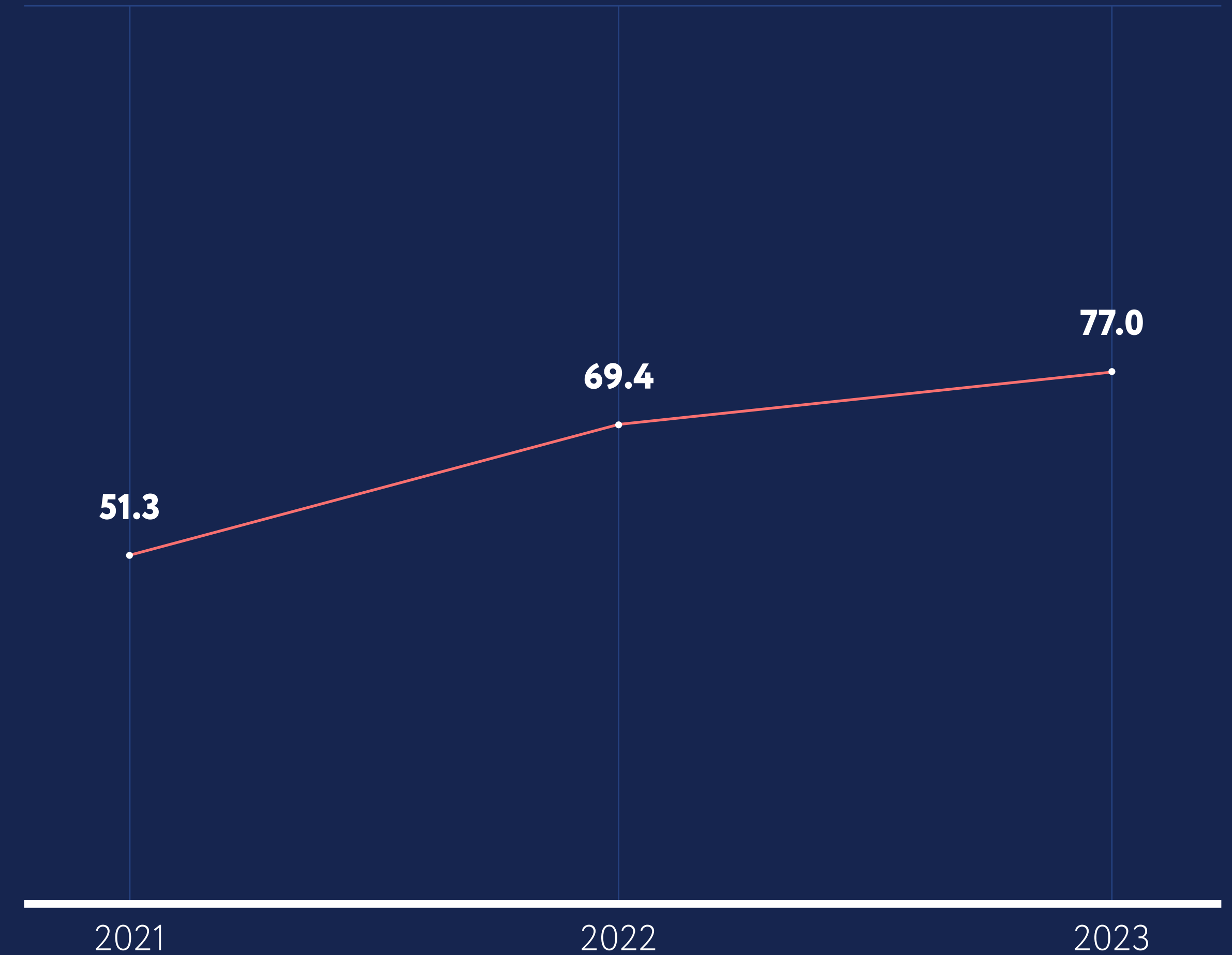


## Operating Profit

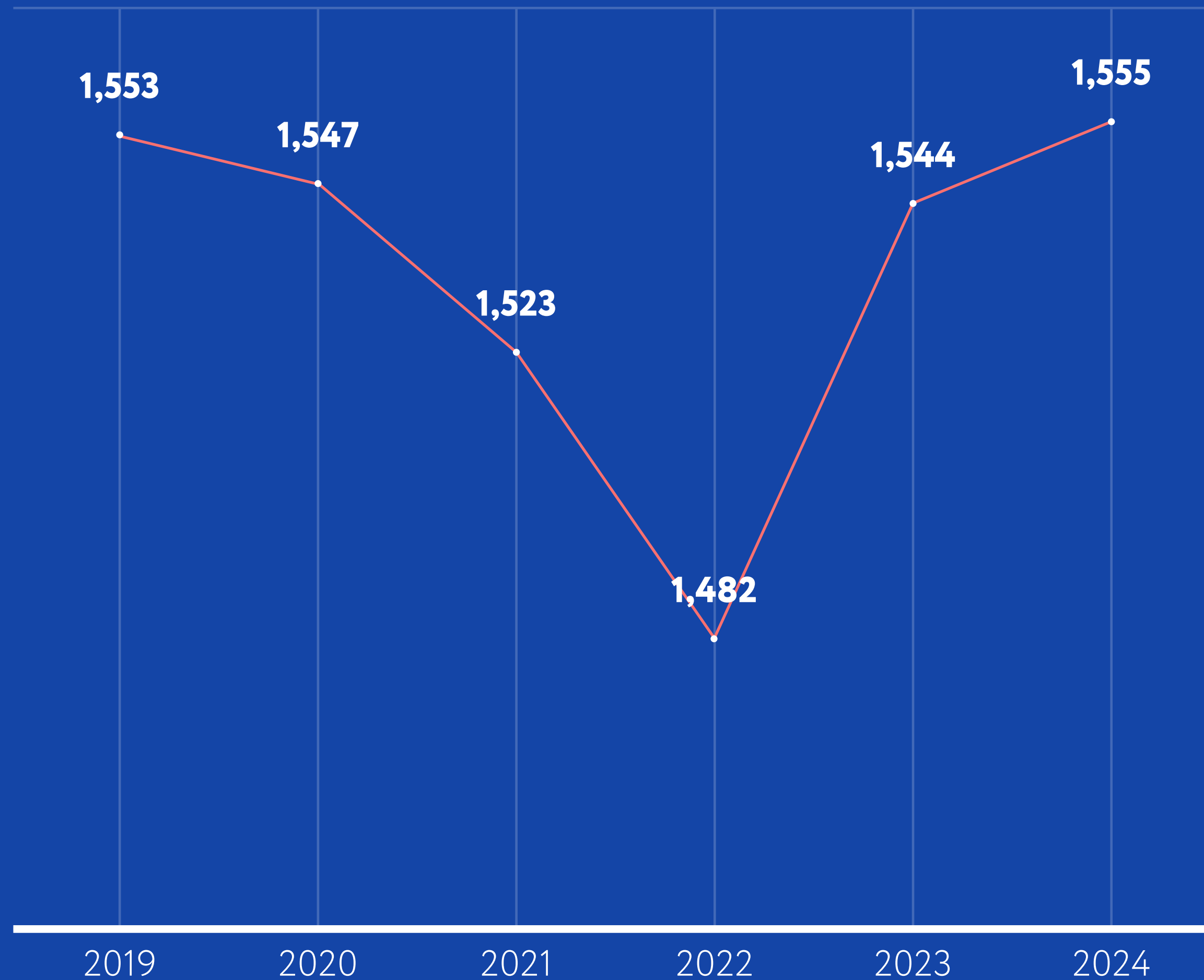
Considering sales revenue, cost of sales, and tariff deviations, the operating profit experienced a substantial increase of 35.2% in 2022 compared to 2021, followed by a 10.9% rise in 2023 compared to the previous year. In the first quarter of 2024, the company's operating profit grew by 28.6% compared to the same period in 2023.



## Profit, million MDL



## Dinamics of No of employees



# Workforce Overview

### Total Number of Employees:

1,555 (as for Q1 2024).

### Management:

10% of the workforce are managers, responsible for strategic decision-making and overseeing all operational activities.

### Specialists:

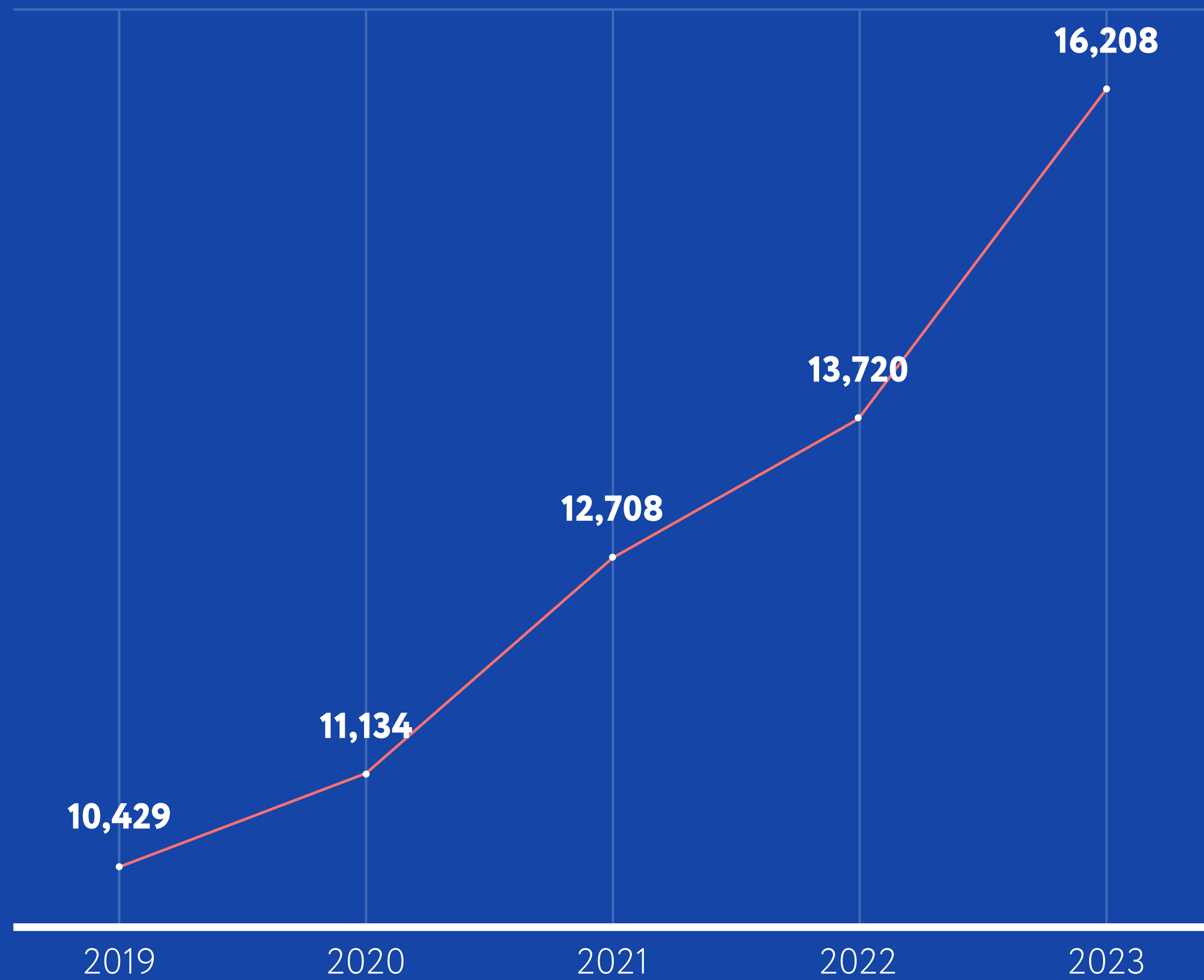
17% of the workforce are specialists, including engineers, technicians, and IT staff, who ensure the technical proficiency and innovation within the operations.

### Operational Staff (Workers):

73% of the workforce are operational staff, including line workers, maintenance crews, and support staff, who perform the critical day-to-day operations and maintenance of the infrastructure.



## Dynamics of the increase of average salary, MDL



## Economic situation at the end of 2023, million MDL

<b>Share Capital</b>	245.4
<b>Revenues</b>	818.9
<b>Cost of Sales</b>	657.1
<b>Gross Profit</b>	161.9
<b>Distributed Dividends</b>	50%
<b>Calculated Dividends</b>	34.7
<b>Paid Dividends</b>	34.7

## Current Economic Situation

The company boasts a strong equity base and is not dependent on long-term financing. In the first three months of 2024, the company's long-term debts accounted for 4.2% of total capital, marking a 20.6% decrease compared to the same period last year. These indicators demonstrate a positive trend and consistent improvement in the company's financial performance, strengthening our market position and providing a solid foundation for future development.

The attached tables present the economic situation for 2023 and the dynamics of financial indicators for 2022-2023.

## Dynamics of Financial Indicators

	2022	2023
<b>Return on Assets</b> (Profit (loss) before taxation x 100% / Average value of total assets)	1.59	0,03
<b>Sales Revenue Profitability</b> (Gross profit (gross loss) x 100/Sales revenue)	16.45	18.80
<b>Current Liquidity</b> (Total current assets/Total current liabilities)	1.05	1.07
<b>Overall Solvency Ratio</b> (Total Liabilities/Total Debts)	8.20	10.08

## Discover the Advantages of Privatization and Investment Incentives

Red Nord represents a valuable investment opportunity that promises stability, non-concurrence, predictable returns, attractive dividends, long-term growth potential and reduced risk due to regulatory protection. The monopoly on this essential service and the absence of direct competitors in the market provide a unique and secure investment environment. This monopoly ensures consistent demand and revenue, making it a highly appealing investment opportunity.



### Emerging Market Opportunities:

Part of the national program aiming to transform Bălți into a development hub, which is expected to increase demand for energy.

### Regulatory Stability:

Regulated by ANRE, providing a stable framework that secures investment.

### Governmental and Regulatory Support:

Benefits from state subsidies for infrastructure modernization and incentives for renewable energy investments.

# Privatization Current Status

RED NORD is included in the list of state assets subject to privatization and is currently in the preparatory stages, following the required procedures before being exposed for privatization.

Interested investors are encouraged to monitor the specified below websites for informative announcements and opportunities to participate in the privatization.



**Invest Moldova Agency**

[www.invest.gov.md](http://www.invest.gov.md)



**Public Property Agency**

[www.app.gov.md](http://www.app.gov.md)



**RED NORD website**

<https://rednord.md/>



**Official Gazette**

<https://monitorul.gov.md/>



# Contacts

For any information on investment opportunities in Moldova please contact:

## Invest Moldova Agency



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For any information on privatization procedures please contact:

## Public Property Agency



Guvernul Republicii Moldova  
**Agenția Proprietății Publice**

**Address:**  
Vasile Alecsandri str. 78, Chişinău,  
MD-2012

**Website:**  
www.app.gov.md  
**About RED NORD on the APP site see:**  
<https://app.gov.md/companies/red-nord/>

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For more detailed inquiries on RED NORD, interested parties are encouraged to contact RED NORD directly.

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