



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

No. 15365/27.03.2024

NOTE

Regarding the Shareholders' General Assembly's approval of the net profit distribution on December 31, 2023

Pursuant to art. 14, para. (1) letter b) from the Articles of Association of NPG Co. Transelectrica SA updated by SEGA Decision no. 1/26.01.2023 and entering into force on 30.03.2023 according to Directorate Decision no. 21/20.02.2023, **we submit to the approval of the Shareholders' General Assembly the distribution of the net profit on December 31, 2023**, considering the following aspects:

In accordance with the provisions of OMFP no. 881/2012, NPG Co. Transelectrica SA applies, starting with the 2012 financial year, the International Financial Reporting Standards (IFRS) to the preparation of individual (stand-alone) annual financial statements.

The stand-alone financial statements as of December 31, 2023 were drawn up in accordance with the Accounting Regulations according to the International Financial Reporting Standards approved by Order of the Minister of Public Finance no. 2844/2016, with later amendments and additions.

The net accounting profit recorded by NPG Co. Transelectrica SA on December 31, 2023 is of 213,611,306 RON.

Under these conditions, the proposal for the distribution to legal destinations the net accounting profit left after income tax on December 31, 2023, in the amount of 213,611,306 RON, is as follows:

No.	Destination	Amount (RON)
1	Accounting profit remaining after income tax on December 31, 2023	213,611,306
	<i>Distribution of accounting profit to the following destinations:</i>	
a	Legal reserve (5%)	0
b	Other reserves representing tax facilities – exemption from payment of tax on reinvested profit	125,636,653
c	Other distributions provided by law - revenues achieved in 2023 from interconnection capacity allocation (net of profit tax)	87,974,653
2	Profit remaining to be distributed (1-a-b-c)	0
d	Employee profit sharing	0
e	Dividends due to shareholders from the remaining distributable profit	0
f	Other reserves established as own sources of financing	0
g	Non-distributed profit	0
3	Total distributions (a+b+c+d+e+f+g)	213,611,306

The proposal for the distribution of the remaining accounting profit after profit tax deduction on December 31, 2023 was carried out in accordance with the provisions of the legislation in force, respectively:

- GO no. 64/2001 regarding the distribution of profit to national companies and trading companies with full or majority state capital, as well as to autonomous governments, approved with amendments by Law no. 769/2001, with subsequent amendments and additions;
- OMFP no. 144/2005 – regarding the approval of the specifications for determining the amounts that are subject to profit distribution according to GO no. 64/2001 regarding the distribution of profit to national companies and trading companies with full or majority state capital, as well as to autonomous governments, approved with amendments by Law no. 769/2001, with subsequent amendments and additions;
- OMFP no. 128/2005 regarding some accounting regulations applicable to economic agents;
- Law no. 227/2015 on the Fiscal Code, with later amendments and additions;
- Regulation (EU) no. 943/2019 of the European Parliament and of the Council of June 5, 2019 on the internal electricity market;
- ANRE order no. 171/2019, with subsequent amendments and additions regarding the approval of the Methodology for setting tariffs for the electricity transmission service;
- The report for the approval of the order regarding the approval of the average tariff for the electricity transmission service, the components of the transport tariff for introducing electricity into the network (Tg) and extracting electricity from the network (TI), of the tariff for the system service and of the price for reactive electricity, practiced by NPG Co. Transelectrica SA, valid from January 1, 2023, sent by ANRE with address no. 76336/20.04.2022, completed with Report no. 59882/04.04.2023 regarding the calculation of electricity transmission tariffs, with application from April 1, 2023;
- The revenue and expense budget approved by SGA Decision no. 4/28/02/2023.

The accounting profit for the year 2023 remaining after deducting the profit tax is distributed among the following destinations:

- **other reserves representing fiscal facilities provided by law in the amount of 125,636,653 RON** - represented by the exemption from paying the tax on reinvested profit, in accordance with the provisions of art. 22 of Law no. 227/2015 on the Fiscal Code, with later amendments and additions (according to Annex 1).
- **other distributions provided for by law in the amount of 87,974,653** - represented by the revenues achieved in 2023 from the allocation of the interconnection capacity (amounts net of profit tax), distributed according to the provisions of art. 1 letter d) from GO no. 64/2001 regarding the distribution of profit to national companies and commercial companies with full or majority state capital, as well as to autonomous governments, with subsequent amendments and additions, in conjunction with the provisions of Regulation (EU) no. 943/2019 and ANRE Order no. 171/2019 which provides for the use of revenues from the allocation of interconnection capacities to make investments in the network to maintain or increase interconnection capacities.

In 2023, revenues from the allocation of interconnection capacity were achieved in the amount of 343,178,649 RON. When distributing the revenues from the allocation of the interconnection capacity made in 2023 to the destination "other distributions provided by law", the negative correction in the amount of 90,162,436 RON of the regulated income was taken into account, as an element of correction from the tariff period of the year 2022, applied by ANRE to determine the average electricity transmission tariff for the tariff period April 1, 2023 - December 31, 2023. Thus, the amount of 90,162,436 RON corrects in minus the revenues from the allocation of interconnection capacity made in 2023 and does not become a source of financing of investments in maintaining and/or increasing the cross-border interconnection capacity of the transmission power grid in Romania.

Under these conditions, the revenues achieved in the year 2023 from the allocation of interconnection capacity (amounts net of profit tax), to be distributed for the establishment of reserves, in order to make investments in the grid to maintain or increase interconnection capacities, according to Regulation (EU) no. 973/2019 and ANRE Order no. 171/2019, are in the amount of 212,533,619 RON (according to Annex 2).

The accounting profit for the year 2023 remaining after the deduction of the profit tax allowed the distribution to the destination "Other reserves" for making investments in the grid to maintain or increase the interconnection capacities of only the amount of 87,974,653 RON, within the limit of the obtained net profit. Thus, for the amounts related to the obtained incomes left uncovered from the profit for the year 2023, it is necessary to set up reserves in the amount of 124,558,966 RON from the surplus made from revaluation reserves (taxable and non-taxable upon change of destination).

Pursuant to art. 14, para. (1) letter b) from the Articles of Association of NPG Co. Transelectrica SA updated by SEGA Decision no. 1/26.01.2023 and entering into force on 30.03.2023 according to the Directorate Decision no. 21/20.02.2023, **we submit to the approval of the Shareholders' General Assembly the distribution of the net profit on December 31, 2023**, according to the proposals presented above.

DIRECTORATE

Chairman	Member	Member	Member
Ștefăniță MUNTEANU	Florin-Cristian TĂTARU	Cătălin-Constantin NADOLU	Bogdan TONCESCU

Calculation of the distribution to reserves of the amount of reinvested profit for which it was benefited from a profit tax exemption in 2023

No.	Indicator	1 st Quarter 2023	2 nd Quarter 2023	3rd Quarter 2023	4th Quarter 2023	Total 2023
1.	Gross profit (including deferred tax) for the period 2023	101,207,688	84,430,217	57,353,265	7,647,663	250,638,833
2.	Cumulative corporate tax is calculated from the beginning of 2023 until the quarter when the assets are put into service, before the facility is applied	27,870,857	44,703,951	58,832,873	67,317,140	67,317,140
3.	The total value of investments made in technological equipment is determined	42,162,021	76,528,129	5,886,419	1,060,084	125,636,653
4.	Determine the value of the asset for which you can benefit from the exemption (expenses made after July 1, 2014)	42,162,021	76,528,129	5,886,419	1,060,085	125,636,653
5.	The gross profit is compared with the value of the investments to establish whether the gross profit (row.1) covers the investments made after July 1, 2014 (row.4)	YES	YES	YES	YES	
6.	The exempt profit tax is determined (row 4*16%)	6,745,923	12,244,501	941,827	169,614	20,101,865
7.	The profit tax related to the period after the application of the facility is determined (row 2-row 6)	21,124,934	32,459,450	57,891,046	67,147,526	47,215,275
8.	¹ The distribution of exempt profit to legal reserves is calculated - 5% (row 4*5%)	-	-	-	-	-
9.	Distribution of exempt profit to reserves (row 4-row 8)	42,162,021	76,528,129	5,886,419	1,060,084	125,636,653

Economic and Financial Director
Ana-Iuliana DINU

Accounting Department Manager
Georgiana-Beatrice ȘTEFAN

¹ In 2022, the legal reserve reached one fifth of the share capital. Thus, in 2023 no legal reserve is established and deducted.

**Distribution of revenues from the allocation of interconnection capacity in 2023
to be distributed for the establishment of investment financing sources for increasing the interconnection capacity with neighboring
systems
(amounts net of profit tax)**

No.	Incomes from the allocation of the interconnection capacity	Obtained 2023	Deductions	Revenues from the allocation of the interconnection capacity to be distributed for the establishment of investment financing sources for the increase of the interconnection capacity with neighboring systems (amounts net of profit tax)
			Tax on profit 16%	
0	1	2	3 = 2*16%	4 = 2-3
1	Incomes from the allocation of the interconnection capacity	343,178,649	54,908,584	288,270,065
2	The negative correction applied by ANRE to the revenues from the allocation of interconnection capacity (ANRE address no. 59882/04.04.2023)	(90,162,436)	(14,425,990)	(75,736,446)
3	Total (row 1 + row 2)	253,016,213	40,482,594	212,533,619

Economic and Financial Director
Ana-Iuliana DINU

Accounting Department Manager
Georgiana-Beatrice ȘTEFAN