



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. 24490/16.05.2023

NOTE

Regarding approval of the Shareholders' General Assembly for
distribution of the net profit on December 31, 2022

In accordance with art. 14, para. (1) letter. b) from the Articles of Association of NPG Co. Transelectrica 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, 2022**, taking into consideration the following issues:

In accordance with the provisions of MFP Order no. 881/2012, Transelectrica applies, beginning with 2012 financial year, the International Financial Reporting Standards (IFRS) when elaborating the annual individual (stand-alone) statements.

The stand - alone financial statements on December 31, 2022 have been elaborated according to the Accounting Regulations in accordance with the International Financial Reporting Standards approved by Order no. 2844/2016 of the Minister of Public Finance, with later amendments and additions.

The net accounting profit registered by NPG Co. Transelectrica SA on December 31, 2022 is 514,572,741 RON.

Under these circumstances, the proposed distribution to legal destinations of the net accounting profit on 31 December 2022, amounting to 514,572,741 Lei, is the following:

No.	Destination	Amount (RON)
1	Accounting profit remaining after income tax on December 31, 2022	514,572,741
	<i>Distribution of accounting profit to these destinations:</i>	
a	Legal reserve (5%)	8,679,665
b	Other reserves representing provided fiscal facilities – exempting from payment the reinvested profit	71,849,896
c	Other law provided destinations – revenues achieved in 2022 from interconnection capacity allocation (net of income tax and legal reserve)	331,218,663
2	Remaining profit to be distributed (1-a-b-c)	102,824,517
d	Employees' participation to profit	-
e	Dividends owed to shareholders	52,045,231
f	Other reserves - own sources of financing	50,779,286
g	Undistributed profit	-
3	Total distributions (a+b+c+e+f)	514,572,741

The proposed distribution for accounting profit remaining after deduction of the income tax on December 31, 2022 **was done in accordance with the provisions of applicable legislation, namely:**

- **Address of the majority shareholder no. 20/15875/10.05.2023, registered in the Company under no. 24152/12.05.2023, which forwards the Memorandum with the theme "Authorization of the General Secretariat of the Government for the mandate, by order of the General Secretariat of the Government, of state representatives in the Shareholders' General Assembly of the National Electric Energy Transport Company "Transelectrica" - S.A., in order to exercise the right to vote in compliance with the dividend distribution proposal in a share of 50% of the distributable profit related to the financial year of 2022, remaining after deducting the related amounts, according to the provisions of OG no. 64/2001 on profit distribution in national societies, national companies and trading companies with full or majority state capital, and in independent authorities", accompanied by the favourable opinion sent by the Ministry of Finance;**
- OG no. 64/2001 on profit distribution in national societies, national companies and trading companies with full or majority state capital, and in independent authorities, approved with amendments by Law 769/2001, with later amendments and additions;
- OMFP no. 144/2005 – approving the Specifications to determine amounts used in profit distribution according to OG 64/2001 on profit distribution in national societies, national companies and trading companies with full or majority state capital, and in independent authorities, approved with amendments by Law 769/2001, with later amendments and additions;
- OMFP no. 128/2005 regarding certain accounting regulations applicable to economic agents;
- Law no. 227/2015 on the Fiscal Code, with later amendments and additions;
- The (EU) Regulation no. 2019/943 of the European Parliament and the Council of June 5, 2019 regarding the internal market of electric energy;
- ANRE Order 171/2019, with later amendments and additions approving the Methodology establishing tariffs for electricity transmission services;
- The approval report of the order that refers to the approval of the average tariff of electricity transmission service, of the components of the tariff for the electricity introduction transmission in the network (Tg) and extraction of electricity from the network (TI), of the system service tariff and of the price for the reactive electricity, practiced by NPG Co. Transelectrica, valid since January 1, 2022, sent by A.N.R.E. through letter no. 148981/13.12.2021, completed by report no. 76336/20.04.2022 on the calculation of the electricity transmission tariffs, applicable from April 1, 2022;
- The revenue and expense budget approved by SGA Decision no. 1/25.02.2022, corrected by SGOA Decision no. 8/29.09.2022.

Thus, the 2022 accounting profit remaining after deduction of income tax is distributed to the following destinations:

a) legal reserve amounting to 8,679,665 RON, determined at 5% applied on accounting profit until it had reached the fifth part of social capital subscribed and paid, in accordance with the provisions of art.16, para (1), letter a) from Law no. 227/2015 on Fiscal Code, with later amendments and additions and of Law no. 31/1991 regarding the commercial societies.

b) other reserves representing law-provided fiscal facilities amounting to 71,849,896 RON, represented by tax payment exemption for reinvested profit, in accordance with the provisions of article 22 of Law no. 227/2015 on the Fiscal Code, with later amendments and additions.

c) other law-provided distributions amounting to 331,218,663 - represented by revenues achieved in 2022 from interconnection capacity allocation (amounts net of income tax and of legal reserve), distributed according to the provisions of art. 1, letter d) from GO no. 64/2001 regarding the profit distribution in national societies, national companies and commercial societies with full or majority state capital, as well as in the independent authorities, with later amendments and additions, in conjunction with the provisions of the (EU) Regulation no. 943/2019 and ANRE Order no. 171/2019, which provide that revenues from the allocation of interconnection capacities are used in order to make network investments or to maintain or increase interconnection capacities.

d) dividends owed to shareholders amounting to 52,045,231 – represents a gross dividend of 0.71 RON/share.

The value of gross dividends owed to shareholders was determined taking into consideration the following:

- the number of shares existing on the elaboration date of 2022 financial statements, namely 73,303,142 shares;
- gross dividends per share established with 2 decimal figures after the point.

The value of the dividends represents 50.62% of the remaining accounting profit after income tax on December 31, 2022 and covering the destinations from points a), b) and c).

e) other reserves constituted as own sources of financing amounting to 50,779,286 – represents the non – distributed profit on destinations presented in the table above - letters a), b), c) and e).

Under art. 14, para. (1) letter. b) from the Articles of Association of NPG Co. Transelectrica 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, 2022**, in accordance with the suggestions given above.

DIRECTORATE

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