



**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](http://www.transelectrica.ro)

**No. 15366/27.03.2024**

## **NOTE**

regarding the approval of the Shareholders' General Assembly of the establishment of reserves related to the revenues obtained from the allocation of the transmission capacity on the interconnection lines in 2023, from the surplus obtained from taxable and non-taxable revaluation reserves upon change of destination

### **I. General Information**

In accordance with the provisions of OMFP no. 881/2012, NPG Co. Transelectrica SA has the obligation to apply, starting with the financial year 2012, the International Financial Reporting Standards (IFRS) when preparing individual (separate) annual financial statements.

In applying the provisions of art. 1 of OMFP no. 881/2012, OMFP no. 1286/2012 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to trading companies which securities are admitted to trading on a regulated market. OMFP no. 1286/2012 was repealed, being replaced by OMFP no. 2844/2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, with subsequent amendments and additions.

According to IFRS, IAS 16 – *Tangible fixed assets*, paragraph 41 “part of the surplus can be transferred as the asset is used by the entity. In this case, the amount of the transferred surplus would be the difference between the depreciation calculated on the basis of the revalued accounting value of the asset and the amount of depreciation calculated on the basis of the original cost of the asset”.

Based on IFRS provisions and Note no. 8919/2013, approved by the Company's Board, **NPG Co. Transelectrica SA applies the revaluation surplus capitalization method as the asset is used, respectively at the time of recording the depreciation expenses related to the revaluation surplus.**

The surplus from the revaluation reserves is recorded as having been obtained to the extent of recording the expenses with the depreciation related to the increase in the revalued values and does not represent a monetary element generating cash flows, being determined only by a transfer operation from the revaluation reserves to the carried forward result.

On December 31, 2023, the Company records **a positive carried forward result from the surplus made from revaluation reserves in the amount of 830,821,238 RON**, of which:

- the surplus made **from non-taxable revaluation reserves** upon change of destination in the amount of **145,577,919 RON**;
- the surplus made from taxable revaluation reserves upon change of destination in the amount of 685,243,319 RON.

NPG Co. Transelectrica SA operates as a transmission and system operator according to Operating License no. 161/2000, granted by ANRE. Among the services provided by the Company on the electricity market is also the allocation of transmission capacity on the interconnection lines of the National Electric Power System with neighboring Electric Power Systems, in order to carry out import/export and transit transactions of electricity under equal, transparent and non-discriminatory conditions, through successive annual, monthly, daily and intraday explicit tenders.

Regulation (EU) no. 943/2019 and ANRE Order no. 171/2019 provide for the use of revenues from the allocation of interconnection capacities in order to make investments in the network to maintain or increase interconnection capacities, as follows:

- Regulation (EU) no. 943/2019 of the European Parliament and of the Council of June 5, 2019 on the internal electricity market.

Art. 19 paragraph (2) – *When distributing the revenues arising from the allocation of the interzonal capacity, the following objectives have priority:*

*(a) guaranteeing actual availability of allocated capacity, including firmness compensation; or  
(b) maintaining or increasing interzonal capacities by optimizing the use of existing interconnection capacities through coordinated remedial measures, where appropriate, or covering the costs generated by relevant network investments to reduce congestion in interconnection capacities.*

- The provisions of Regulation (EU) no. 943/2019 of the European Parliament and of the Council of June 5, 2019 were taken over in the national legislation by ANRE Order no. 171/2019 regarding the approval of the Methodology for establishing tariffs for the electricity transmission service which provides in art. 93 paragraph (1), as follows:

- *the revenues obtained from the allocation of transmission capacity on the interconnection lines are used with priority in accordance with the provisions of art. 19 para. (2) from Regulation (EU) no. 943/2019.*

- *these revenues constitute the financing source for guaranteeing the real availability of the allocated cross-border transmission capacity, for maintaining or increasing the interzonal capacities by optimizing the use of the existing interconnection capacities through coordinated remedial measures, if necessary, or covering the costs generated by the relevant network investments to reduce interconnection capacity congestion.*

## **II. Justification**

In accordance with the applicable accounting regulations, the revenues collected by the Company from the allocation of interconnection capacities represent revenues obtained from the services provided on the electricity market, being recorded in the revenue accounts (separate analytical), implicitly being found in the gross accounting result.

**The net profit remaining after deducting the profit tax is distributed among the legal destinations in accordance with the provisions of 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, which provides in art. 1 letter d) as the destination of profit distribution "Other distributions provided by law".**

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.

Therefore, the amount of 90,162,436 RON corrects in minus the revenues from the allocation of the interconnection capacity made in 2023 and does not become a source of financing for investments in maintaining and/or increasing the cross-border interconnection capacity of the electric transmission grid in Romania.

Thus, the revenues to be distributed to the destination "other distributions provided by law" are in the amount of **253,016,213 RON**, for which the related profit tax (16%) is in the amount of **40,482,594 RON**.

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 (253,016,213 RON - 40,482,594 RON)**, according to the appendix.

From the amount of 212,533,619 RON, the accounting profit for the year 2023 remaining after deducting the profit tax allows 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, in the net profit limit. For the difference in reserves to be constituted in the amount of **124,558,966 RON (212,533,619 RON - 87,974,653 RON)**, we propose:

### **III. Proposals**

Pursuant to art. 14, para. (1) letter a) from the Articles of Association of NPG Co. Transelectrica SA, updated by SEGA Decision Decision no. 1/26.01.2023 and entering into force on 30.03.2023 according to the Directorate Decision no. 21/20.02.2023, and pursuant to art. 93 paragraph (1) of ANRE Order no. 171/2019, **we submit to the approval by the Shareholders' General Assembly the constitution of the reserves related to the revenues obtained from the allocation of the transmission capacity on the interconnection lines by distribution from the carried forward result representing the surplus obtained from non-taxable revaluation reserves upon the change of destination in the amount of 124,558,966 RON.**

#### **DIRECTORATE**

**Chairman**  
**Ștefăniță**  
**MUNTEANU**

**Member**  
**Florin-Cristian**  
**TĂTARU**

**Member**  
**Cătălin-Constantin**  
**NADOLU**

**Member**  
**Bogdan**  
**TONCESCU**

**CNTEE TRANSELECTRICA SA**

**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	<b>Total (row 1 + row 2)</b>	<b>253,016,213</b>	<b>40,482,594</b>	<b>212,533,619</b>

**Economic and Financial Director**  
**Ana-Iuliana DINU**

**Accounting Department Manager**  
**Georgiana-Beatrice ȘTEFAN**