

Nr. 18449/30.04.2025

NOTE

regarding the approval by the General Meeting of Shareholders
of the distribution of net profit as at December 31, 2024

Considering the request of the majority shareholder registered within CNTEE Transelectrica SA with no. 15353/08.04.2025 (SGG Address no. 20/10548/MD dated 07.04.2025) to apply the provisions of the Memorandum issued by the Ministry of Finance no. 658189/17.03.2025 and pursuant to art. 14, para. (1) letter b) of the Articles of Association of NPG CO. Transelectrica SA updated by the E.G.M.S. Decision no. 1/26.01.2023 and entering into force on 30.03.2023 according to the Decision of the Directorate no. 21/20.02.2023, we submit for approval to the General Meeting of Shareholders the distribution of net profit as at December 31, 2024, in consideration of the following:

Starting with the financial year 2012, NPG CO. Transelectrica SA applies the International Financial Reporting Standards (IFRS) for the preparation of the separate annual financial statements.

The separate financial statements as at December 31, 2024 have been prepared in accordance with the Accounting Regulations in line with International Financial Reporting Standards approved by Order of the Minister of Public Finance No. 2844/2016, as amended.

The net accounting profit recorded by NPG CO. Transelectrica SA on December 31, 2024 is RON 585,924,311.

Under these circumstances, the proposed distribution to the legal destinations of the accounting profit remaining after deduction of income tax as at December 31, 2024, in the amount of 585,924,311 lei, is as follows:

No.	Destination	Amount (lei)
1	Accounting profit remaining after deduction of income tax at December 31, 2024	585,924,311
	<i>Allocation of accounting profit to the following destinations:</i>	
a	Legal reserve (5%)	
b	Other tax incentive reserves - exemption from tax on reinvested earnings	240,981,311
c	Coverage of prior years' accounting losses, excluding the accounting loss carried forward arising from adjustments required by the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'	-
d	Other allocations provided by law - revenues realized in 2024 from the allocation of interconnection capacity (net of income tax)	35,347,095
2	Remaining profit to be distributed (1-a-b-c-d)	309,595,905
e	Employee profit-sharing	-
f	Dividends to be paid to shareholders out of the profit available for distribution	279,284,971

No.	Destination	Amount (lei)
g	Other reserves established as own sources of financing	30,310,934
h	Retained earnings	
3	Total allocations (a+b+c+d+e+f+g+h)	585,924,311

The proposed distribution of the accounting profit remaining after deduction of income tax as of December 31, 2024 has been made in accordance with the provisions of the legislation in force, respectively:

- GO no. 64/2001 on the distribution of profit in national companies, national companies and commercial companies with full or majority state capital, as well as in independent authorities, approved with amendments by Law no. 769/2001, with subsequent amendments and additions;
- OMFP no. 144/2005 - regarding the approval of the specifications for the determination of the amounts subject to profit distribution according to GO no. 64/2001 on profit distribution in national companies, national companies and commercial companies with full or majority state capital, as well as in independent authorities, approved with amendments by Law no. 769/2001, with subsequent amendments and additions;
- OMFP no. 128/2005 on some accounting regulations applicable to economic agents;
- Law no. 227/2015 on the Fiscal Code, with subsequent amendments and additions;
- Regulation (EU) No 2019/943 of the European Parliament and of the Council of June 5, 2019 on the internal market in electricity;
- Council Regulation (EU) No 2022/1854 of October 6, 2022 on emergency intervention to address the issue of high energy prices;
- ANRE Order no. 171/2019, with subsequent amendments and additions on the approval of the Methodology for establishing 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, of the components of the transmission tariff for the introduction of electricity into the grid (Tg) and for the extraction of electricity from the grid (TI) and of the price for reactive electricity, practiced by NPG CO. Transelectrica SA, valid from January 1, 2024, submitted by ANRE with address no. 2222/10.01.2024.
- References for the approval of the orders approving the tariff for the system service, practiced by NPG CO. Transelectrica SA, valid for the periods: January 1 - April 30, 2024, May 1 - August 31, 2024 and September 1 - December 31, 2024, submitted by ANRE with the addresses no. 2222/10.01.2024, no. 86627/21.06.2024 and no. 134580/04.10.2024;
- **Memorandum approved by the Government of Romania in the meeting of March 27, 2025 with the topic: "Mandate of the state representatives in the General Meeting of Shareholders/Board of Directors, as the case may be, at national companies, national companies and companies with full or majority state capital, as well as at autonomous public authorities, in order to take the necessary measures to distribute a minimum of 90% of the net profit achieved in 2024 in the form of dividends/payments to the state budget", issued by the Ministry of Finance no. 658189/ 17.03.2025, sent by the majority shareholder with address no. 20/10548/MD of 07.04.2025.**

The accounting profit for the year 2024 remaining after deduction of income tax shall be allocated to the following destinations:

- **other reserves representing tax incentives provided by law in the amount of RON 240,981,311** - represented by the exemption from payment of tax on reinvested profit, in accordance with the provisions of Article 22 of Law no. 227/2015 on the Tax Code, as amended and supplemented (as Annex 1).
- **other distributions provided by law in the amount of RON 35,347,095** - represented by the revenues realized in 2024 from the allocation of interconnection capacity (amounts net of

income tax), distributed in accordance with the provisions of Article 1 letter d) of GO no. 64/2001 on the distribution of profit to national companies, national companies and commercial companies with full or majority state capital, as well as to independent authorities, with subsequent amendments and additions, in conjunction with the provisions of Regulation (EU) no. 2019/943, of Regulation (EU) No. 2022/1854 and of ANRE Order No. 171/2019, which provide for the use of revenues from the allocation of interconnection capacities for the realization of network investments for the maintenance or increase of interconnection capacities.

In 2024 the revenues realized from the allocation of interconnection capacity amounted to 282,079,875 lei. When allocating the revenues from the allocation of interconnection capacity realized in 2024 to the destination "other allocations provided for by law", the negative correction in the amount of RON 240,000,000¹ of the regulated revenue was taken into account, in accordance with *ANRE Decision no. 2944 of 20.12.2023 for the approval of the method for covering the expenses forecast for 2024 from the revenues obtained from the allocation of cross-border interconnection capacity*, applied by ANRE in determining the average electricity transmission tariff for the period January 1, 2024 - December 31, 2024. Thus, the amount of RON 240,000,000 corrects downwards the revenues from the allocation of interconnection capacity realized in 2024 and does not become a source of financing for investments in maintaining and/or increasing the cross-border interconnection capacity of the Romanian transmission grid.

Under these circumstances, the revenues realized in 2024 from the allocation of interconnection capacity (amounts net of income tax), to be allocated to build reserves, in order to make investments in the network to maintain or increase interconnection capacities, in accordance with Regulation (EU) No 2019/973 and ANRE Order No 171/2019, are in the amount of 35,347,095 lei (as Annex 2).

- **dividends due to shareholders in the amount of 279,284,971 lei** - gross dividend of 3.81 lei/share.

The amount of gross dividends due to shareholders was determined on the basis of the following elements:

- the number of shares held at the date of preparation of the 2024 financial statements, i.e. 73,303,142 shares;
- gross dividends per share determined to two decimal positions after the decimal point.

The amount of the dividends represents 90.21% of the accounting profit remaining after deduction of income tax and coverage of the purposes of points a) - d). On this line, we consider that we comply with the provisions of the Memorandum issued by the Ministry of Finance no. 658189/17.03.2025, sent by the majority shareholder with address no. 20/10548/MD of 07.04.2025.

- **other reserves constituted as own sources of financing in the amount of 30,310,934 lei** - represents the profit retained for the above-mentioned purposes.

DIRECTORATE

Chairman
Ștefăniță
MUNTEANU

Member
Victor
MORARU

Member
Cătălin-Constantin
NADOLU

Member
Cosmin-Vasile
NICULA

Member
Florin-Cristian
TĂTARU

¹ The amount has been set by ANRE on the basis of the provisions of Art. 9(1), (2) and (3) of Council Regulation (EU) 2022/1854 of October 6, 2022 on emergency intervention to address the issue of high energy prices, by way of derogation from the European Union rules on congestion income resulting from the allocation of cross-zonal capacity (revenues from the allocation of cross-border interconnection capacities). This allows Member States to use surplus revenues to finance measures to support final electricity customers. At the same time, according to Art. 10, para. (4)(b) of the same Regulation mentioned above, these measures to support final customers may consist in the use of surplus revenues from the allocation of cross-border interconnection capacities to reduce network tariffs.

Calculation of the allocation to reserves of the amount of reinvested profit for which income tax exemption has been granted in 2024

No.	Indicator	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024	Total
1.	Gross profit (including deferred income tax) for the period 2024	124,348,971	156,511,378	165,318,854	187,244,170	633,423,373
2.	Compute the cumulative income tax from the beginning of 2024 through the quarter the assets are placed in service before the facility applies	27,739,101	42,133,047	72,377,546	90,419,103	90,419,103
3.	Determine the total amount of investment in technological equipment	33,465,976	98,506,785	66,677,445	42,331,105	240,981,311
4.	Determine the value of the asset qualifying for the exemption (expenses incurred after July 1, 2014)	33,465,976	98,506,785	66,677,445	42,331,105	240,981,311
5.	Gross profit is compared with the value of investments to determine whether the gross profit (row 1) covers the investments made after July 1, 2014 (row 4)	YES	YES	YES	YES	
6.	Determine tax on exempt profit (rows 4*16%)	5,354,556	15,761,086	10,668,391	6,772,977	38,557,010
7.	Determine the income tax for the period after the application of the facility (rows 2- 6)	22,384,545	26,371,961	61,709,155	83,646,126	51,862,093
8.	¹ Calculate the distribution of exempt profit to legal reserves - 5% (rows 4*5%)	-	-	-	-	-
9.	Allocation of exempt profit to reserves (row 4-row 8)	33,465,976	98,506,785	66,677,445	42,331,105	240,981,311

f. Economic and Financial Directorate Manager
Florin STANCIU – DSFTM Manager

Accounting Department Manager
Georgiana-Beatrice ȘTEFAN

¹ In 2022, the legal reserve reached one fifth of the share capital. Thus, in 2024, no legal reserve is created and deducted.

**Allocation of revenues realized from the allocation of interconnection capacity in 2024
to be allocated for the provision of financing sources for investments to increase interconnection capacity with neighbouring systems
(amounts net of income tax)**

No.	Revenues from the allocation of interconnection capacity	Realized 2024	Deductions	Revenue realized from the allocation of interconnection capacity to be allocated for the provision of financing sources for investments to increase interconnection capacity with neighbouring systems (amounts net of income tax)
			Income tax 16%	
0	1	2	3 = 2*16%	4 = 2-3
1	Revenues from the allocation of interconnection capacity	282,079,875	45,132,780	236,947,095
2	Negative correction applied by ANRE to the revenues from the allocation of interconnection capacity (ANRE Decision no. 2944/20.12.2023)	(240,000,000)	(38,400,000)	(201,600,000)
3	Total (rows 1 + rd. 2)	42,079,875	6,732,780	35,347,095

f. Economic and Financial Directorate Manager
Florin STANCIU –DSFTM Manager

Accounting Department Manager
Georgiana-Beatrice ȘTEFAN

