



**Transelectrica®**  
Societate Administrată în Sistem Dualist

**Compania Națională de Transport al Energiei Electrice**  
Transelectrica SA - Punct de lucru: Str. Olteni, nr. 2-4, C.P. 030786, București  
România, Număr înregistrare Oficial Registrului Comerțului J40/8060/2006,  
Cod Unic de înregistrare 13328043 Telefon +4021 303 56 11, Fax +4021 303 56 10  
Capital subscris și vărsat: 733.031.420 Lei  
www.transelectrica.ro

## NOTE

Regarding approval by the Shareholders' General Assembly of the  
net profit distribution on 31 December 2019

In accordance with article 14, para (1) let. b) from the Articles of Association of CNTEE Transelectrica SA updated by AGEA Decision 3/06.03.2020, **we submit for approval of the Shareholders' General Assembly the net profit distribution as of 31 December 2019**, taking into consideration the following issues:

In accordance with the provisions of OMFP 881/2012 beginning with 2012 CNTEE Transelectrica SA is obliged to apply the International Financial Reporting Standards (IFRS) whenever it elaborates the annual individual (stand-alone) financial statements.

The stand-alone financial statements of 31 December 2019 have been executed in accordance with the Accounting regulations compliant with the International Financial Reporting Standards approved by Order 2844/2016 of the Minister of Public Finance, with later amendments and additions.

**The proposed distribution to legal destinations of the accounting profit remaining after income tax deduction on 31 December 2019, amounting to 96,030,957 Lei, is as follows:**

Destination	Amount (Lei)
Accounting profit left after income tax deduction on 31 December 2019	96,030,957
<i>Accounting profit distribution to the following destinations:</i>	
Legal reserve (5%)	5,354,023
Other reserves representing fiscal facilities provided – tax exemption of reinvested profit	51,752,203
Other law-provided distributions - revenues achieved in 2019 from allocation of interconnection capacities (net of income tax and legal reserve) – partial distribution within the limits of the net profit	38,924,731
Undistributed profit	-

The proposed distribution of the accounting profit remaining after income tax deduction on 31 December 2019 was performed in accordance with the provisions of applicable legislation, namely:

- OG 64/2001 on profit distribution in national societies, national 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;
- Law 227/2015 on the Fiscal Code, with later amendments and additions;
- Regulation (EC) 714/2009 of the European Parliament and Council of 13 July 2009 regarding the network access terms for cross-border electricity exchanges and cancelling Regulation (CE) nr. 1228/2003;
- ANRE Order 53/2013, with later amendments and additions, approving the Methodology establishing tariffs for electricity transmission services;
- Report *Data considered by ANRE when calculating the tariffs approved for transmission and system services* transmitted by ANRE with letter 59924/08.07.2019.

**The 2019 accounting profit remaining after income tax deduction was distributed to the following destinations:**

a) - **Legal reserve amounting to 5,354,023 Lei**, determined at 5% according to the provisions of article 26 para (1) let. a) from Law 227/2015 on the Fiscal Code, with later amendments and additions;

b) – **Other reserves representing law-provided fiscal facilities amounting to 51,752,203 Lei**, represented by tax exemption of reinvested profit in accordance with the provisions of article 22 from Law 227/2015 on the Fiscal Code, with later amendments and additions;

c) – **Other law-provided distributions amounting to 38,924,731 Lei**, represented by revenues achieved in 2019 from the allocation of interconnection capacities (sums net of income tax and legal reserve), distributed in accordance with the provisions of article 1 let. d) from OG 64/2001 on profit distribution in national societies, national and trading companies with full or majority state capital, and in independent authorities, with later amendments and additions, corroborated with the provisions of Regulation (EC) 714/2009 and of ANRE Order 53/2013 providing utilisation of revenues from the allocation of interconnection capacities on interconnection lines in view of making network investments so as to maintain or increase such interconnection capacities.

In 2019 revenues were achieved from the allocation of interconnection capacities amounting to 84,241,521 Lei. When such revenues of 2019 from the allocation of interconnection capacities were distributed to “other law-provided distributions” a positive correction amounting to 11,575,635 Lei of the regulated revenue was taken into account as correction item coming from the tariff interval 1 July 2017 - 30 June 2018, applied by ANRE when determining the average electricity transmission tariff for the tariff period 1 July 2019 – 31 December 2019. Thus the amount of 11,575,635 Lei becomes financing source of investments to maintain or increase the cross-border interconnection capacities of Romania's electricity transmission grid.

Under such circumstances the **revenues achieved in 2019 from the allocation of interconnection capacities** (sums net of income tax and legal reserve), to be distributed towards constituting reserves to make investments to maintain or increase the interconnection capacities according to Regulation (EC) 714/2009 and ANRE Order 53/2013, **amounted to 76,462,090 Lei** (as per the annex).

The 2019 accounting profit remaining after income tax deduction enabled distributing to “**Other reserves**” to make network investments in view of maintaining or increasing the interconnection capacities **only the amount of 38,924,731 Lei**, within the limits of the net profit achieved. Thus the amounts relating to achieved revenues but uncovered from the 2019 profit reserves amounting to 37,537,359 should be constituted from the surplus obtained from revaluation reserves (non-taxable and taxable when changing their destination).

#### **DIRECTORATE**

<b>Chairman</b>	<b>Member</b>	<b>Member</b>	<b>Member</b>	<b>Member</b>
<b>Catalin NITU</b>	<b>Andreea-Mihaela MIU</b>	<b>Ionut-Bogdan GRECIA</b>	<b>Corneliu-Bogdan MARCUS</b>	<b>Adrian MOISE</b>
<b>Director, UEFA Ana-Iuliana DINU</b>	<b>f. Manager, DC Georgiana-Beatrice STEFAN – Head of BCC</b>			

#### **ENDORSED,**

**f. Director, DJC  
Dan-Cristian-Filip  
LAZARESCU**

**Manager  
Alina-Elena TEODORU**