

No. 21.776/12.03.2024

*Submitted for approval to the OGMS meeting of 24 April 2024*

## **R E P O R T**

### **on the proposal for the gross dividend per share and for the means of dividend pay-out for the financial year 2023**

#### **SUMMARY**

The approval of a gross dividend per share amounting to lei 0,35, determined based on the provisions of *Government Ordinance No. 64/30 August 2001 on the allocation of profits within national companies and trading companies fully owned by the state or where the state is a majority shareholder and within the autonomous administrations* in the context of the application of a share of **51,120909%** upon profit distribution as dividends.

Distribution to dividends of 50% share of the distributable profit determined after the deduction of the sums related to the destinations determined based on the legislative acts specifically provided for by Government Order 64/2001 ensures the establishment of own funding sources absolutely necessary during this period when the company is carrying out strategic investment projects included in the company's development programme approved by the National Energy Regulatory Authority and the extensions of the natural gas transmission pipeline system intended to connect the country's localities to the National Transmission System, with a major positive impact on increasing the population's welfare and the extent of Territorial Administrative Units' development, as well as increasing the safety of the operation and functioning of the National Transmission System (NTS).

Under the Revenue and Expense Budget, the Company substantiated for the period 2024-2026 investment expenses amounting to lei 4,2 billion for the achievement of these investments the attraction of loans amounting to lei 2,29 billion is budgeted.

The share under Transgaz' revenue and expense budget for 2023, as approved by OGMS Resolution 2/16.02.2023 was 50%.

## PROPOSAL

We submit the following for approval, according to Art. 15.3, letter (e) of Transgaz' updated Articles of Incorporation:

- 1) The value of the gross dividend per share in amount of lei 0,35;
- 2) Dividend pay-out to the shareholders starting with 18 July 2024.

## DETAILED CONTENT

According to Art. 111, paragraph (2) (a) of Law 31/1990 on the trading companies, as amended, and to Art.15, paragraph (3) (e) of Transgaz' Articles of Incorporation, the establishment of the dividend is within the competence of the Company's General Meeting of the Shareholders.

The proposal to distribute by destination the net profit amounting to **lei 168.440.520** according to *Government Ordinance 64/30 August 2001 on the distribution of profits within national companies and trading companies fully owned by the state or where the state has a controlling interest and within the autonomous administrations* is as follows:

- legal reserves	<b>Lei 10.344.065,54</b>
- other reserves representing tax incentives provided for by Law 237/2015 on the Tax Code, profit invested in technological equipment-machinery, plant and working equipment, electronic computers and peripheral equipment, cash register, control and billing machines and devices, as well as in software, produced and/or purchased and commissioned, used for the purpose of carrying out the economic activity	<b>Lei 40.845.860,72</b>
- dividends owed to shareholders	<b>Lei 65.933.526,40</b>
- profit for the establishment of own financing sources	<b>Lei 51.317.067,34</b>

According to the provisions of Art. 67, paragraph (2) of Law 31/1990, republished, on trading companies, as amended, dividends are distributed to the shareholders pro rata with their interest in the share capital.

The share capital of Transgaz is Lei 1.883.815.040, i.e. 188.381.504 shares with a nominal value of 10 lei/share.

Thus, the value of the gross dividend is of **Lei 0,35/share**.

According to Art. 86 (5) of Law 24/2017 on the issuers of financial instruments and market operations, the pay-out of the dividends due to shareholders is to be made through the Depozitarul Central and through the participants to its system.

The date for the start of the dividend pay-out was established considering the following:

- According to the provisions of art. 67 (2) of Law 31/1990 on trading companies, the dividends shall be distributed to the shareholders pro rata with their interest in the paid-up capital, optionally on a quarterly basis, based on the interim financial statements, and annually, after the regularization performed under the annual financial statements, unless the articles of incorporation provides otherwise. These may optionally be paid quarterly, within the deadline established by the general meeting of the shareholders, as appropriate, established by special laws, and the differences resulting from the distribution of dividends during the year shall be settled by the annual financial statements. The payment of the differences resulted from the settlement shall be made within 60 days from the date when the annual financial statements related to the closed financial year were approved.
- The provisions of Art. 178(2) of Regulation 5/2018 of the Financial Supervisory Authority contemplate that *"in the case of the dividends, the General Meeting of the Shareholders shall establish as payment date a business day which falls after the registration date within 15 working days, at the most, but not later than 6 months from the date of the General Meeting of the Shareholders establishing the dividends"*;
- According to Art. 1 (3) of GO 64/2001, as updated, *"by derogation from the provisions of Art. 67, paragraph (2) of Law 31/1990 ... the national companies where the state is the sole, majority or controlling shareholder shall transfer dividends to shareholders within 60 days from the deadline provided for by the law for the submission of the annual financial statements"*. According to Order of the Ministry of Public Finance no. 5.394/15.12.2023, Annex 1, the deadline for the submission of the annual financial statements and of the annual accounting reports for year 2023 for the companies/national companies is of 150 days from the end of the financial year.

**Chairman of the Board of Administration**  
**PETRU ION VĂDUVA**