



## S.P.E.E.H. Hidroelectrica S.A.

Societate administrată în sistem dualist  
J40/7426/2000  
RO 13267213  
Capital social: 4.498.025.670 lei  
Certificate SRAC ISO 9001, Nr. 325/ISO 14001, Nr. 95  
ISO 45001, Nr. 22/ISO 37001, Nr. 250

*Public*

*The translation of the documents from Romanian into English is unauthorized translation. In case of inconsistencies between the information provided in Romanian and those provided in English, Romanian language will prevail.*

### EXPLANATORY NOTE

#### for the Ordinary General Meeting of Shareholders (OGMS) of S.P.E.E.H. Hidroelectrica S.A. (Hidroelectrica” or the Company”) on 29 April 2024

I. **Regarding: Approval of distribution of the net profit for the financial year 2023 in accordance with the provisions of the Government Ordinance No. 64/2001, as subsequently amended and supplemented, of the total gross dividend value of RON 6,292,900,952, as well as the value of the gross dividend per share of RON 13.99, according to the Explanatory Note presented to the shareholders.**

#### II. Type of Note:

<b>Approval</b>	<b>X</b>
<b>Information</b>	

#### III. Proposed decision:

**Approval of distribution of the net profit for the financial year 2023 in accordance with the provisions of the Government Ordinance No. 64/2001, as subsequently amended and supplemented, of the total gross dividend value of RON 6,292,900,952, as well as the value of the gross dividend per share of RON 13.99, according to the Explanatory Note presented to the shareholders.**

#### IV. Legal background:

- The Articles of Association of Hidroelectrica, effective as of 12 July 2023, attached to EGMS Resolution no. 16 dated 22 June 2023, Art. 9.3. and Art. 14.6;
- Law 31/1990 regarding companies, republished, with subsequent amendments and completions.
- Law 24/2017 on issuers of financial instruments and market operations, republished.
- ASF Regulation 5/2018 on issuers of financial instruments and market operations.
- Procedure regarding the organization and conduct of the general assemblies of shareholders of S.P.E.E.H. Hidroelectrica S.A.
- Memorandum of February 29, 2024, sent by the Ministry of Finance requesting that state representatives in Public Enterprises propose the distribution of a minimum of 90% of the net profit for the year 2023.



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### V. Content:

Based on the separated Financial Statements for the financial year ended 31 December 2023, prepared in accordance with OMFP No. 2844/2016, the Management Board proposes for the OGMS approval the distribution of the net profit, determined according to the legal provisions, registered in the financial year ended 31 December 2023 as follows:

	<u>RON</u>
<b>Net accounting profit after deducting profit tax:</b>	<b>6,352,326,530</b>
+ Provision for employee profit sharing	23,614,403
<b>Net profit to be distributed</b>	<b>6,375,940,933</b>
Legal reserve (max 5% of accounting profit up to 20% of share capital)	0
Other reserves (tax incentives provided by law)	59,425,578
<b>Net profit remaining before Employee profit sharing:</b>	<b>6,316,515,355</b>
Employee profit sharing	23,614,403
Net profit remaining to be distributed	<b>6,292,900,952</b>
<b>Net profit remaining to be distributed as gross dividends</b>	<b>6,292,900,952</b>
<b>Undistributed profit</b>	<b>0</b>

The amount allocated to the legal reserve is RON 0 since the maximum threshold of 20% of the share capital was reached in 2022, according to the provisions of art. 183 of law 31/1990, as subsequently amended and supplemented.

The amount of **RON 59,425,578** was allocated to other reserves, as a result of applying the reinvested profit incentive under the provisions of Article 22 of Law 227/2015 regarding the Fiscal Code with subsequent amendments and updates.

The amount of RON 23,614,403, proposed to be allocated in the form of „**employee profit sharing**” is in accordance with the provisions of G.O. No. 64/2001, “*the level of an average monthly base salary realized at the level of the economic agent*”, up to 10% of the net profit, but not exceeding the level of the average monthly base salary per employee in 2023, namely 6,823 RON, and taking into account the average number of employees in 2023, namely 3,461 employees.

Net profit remaining to be allocated after reserves from tax incentives and employee profit sharing is RON 6,292,900,952.

**The amount of RON 6,292,900,952 is proposed to be distributed as dividends - total value of gross dividend.**



## **S.P.E.E.H. Hidroelectrica S.A.**

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**Considering the number of 449,802,567 Hidroelectrica shares entitled to receive dividends, the gross dividend per share determined with 2 decimal places (rounded) is 13.99 RON/share<sup>1</sup>.**

**The payment of dividends will be made in RON to the shareholders registered in the Shareholders Registry (managed by Depozitarul Central S.A.) on the proposed Registration Date for approval by the OGMS, namely 10 June 2024, starting from the Payment Date set by the OGMS, namely 28 June 2024.**

The Payment Date for net dividends is established in accordance with the provisions of Art. 1, para. 3 of G.O. No. 64/2001, as subsequently amended and supplemented.

The dividend payment is carried out through Depozitarul Central S.A. and through a Payment Agent selected in accordance with the applicable legal provisions.

The dividend tax will be withheld from the gross dividend and remitted by Hidroelectrica in accordance with the applicable legal provisions.

Detailed information on the payment of dividends and the supporting documents will be communicated to shareholders through specific communication channels for issuers whose securities are traded on the regulated market of the Bucharest Stock Exchange, including on the Company's website, [www.hidroelectrica.ro](http://www.hidroelectrica.ro), Investor Relations section, at least 30 days before the Payment Date.

## **VI. Appendices:**

## **VII. Signatures**

Chairman of the Management Board **Karoly BORBELY**

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Member of the Management Board **Bogdan-Nicolae BADEA**

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Member of the Management Board **Radu Ioan CONSTANTIN**

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Member of the Management Board **Marian FETIȚA**

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Member of the Management Board **Ianăș RĂDOI**

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Legal Department Manager **Ion MONCEA**

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Financial Director **Petronel CHIRIAC**

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Accounting Manager **Gabriela VASILESCU**

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<sup>1</sup> Calculation method: The amount of RON 6,292,900,952 representing the total value of the gross dividend, divided by the total number of Hidroelectrica shares entitled to receive dividends, namely 449,802,567 shares