



HIDROELECTRICA

#1 Power Producer in Romania and One of the Largest European Hydro Companies

Q1 2024 Key Financials Update

15 May 2024



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All financial data presented in the following slides is based on the Unaudited Condensed Consolidated Interim Financial Statements as at 31 March 2024.

Hidroelectrica Management Board



Karoly Borbely

CEO / President of the Management Board



Marian Fetița

CFO / Member of the Management Board



Bogdan Badea

CIO / Member of the Management Board



Radu Constantin

CAO / Member of the Management Board



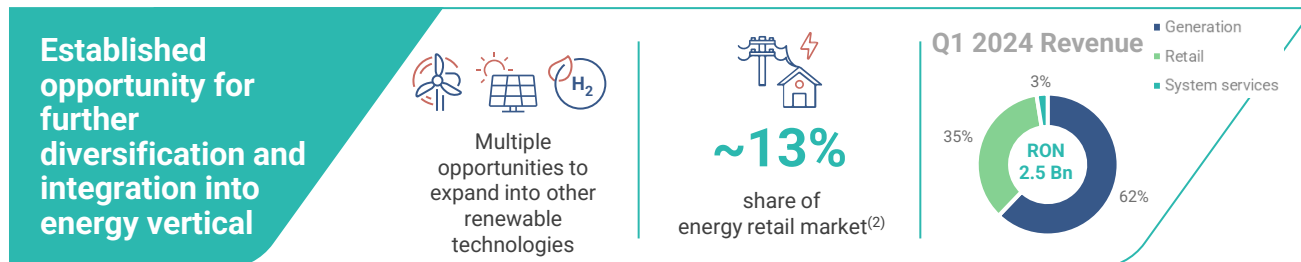
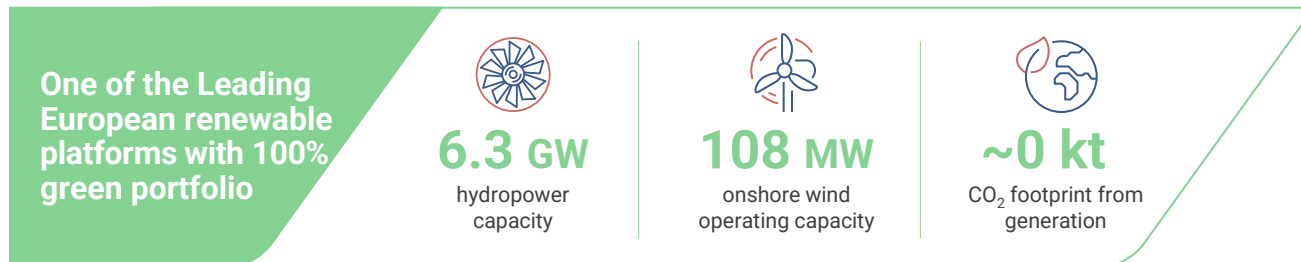
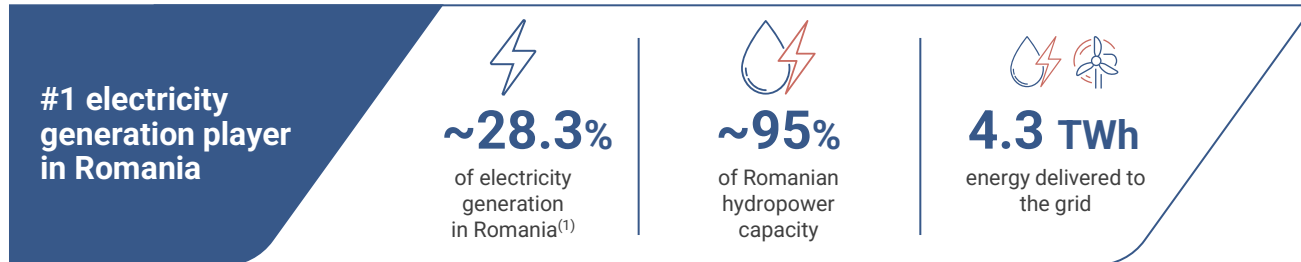
Ianăș Rădoi

COO / Member of the Management Board

Hidroelectrica at a Glance



#1 Electricity Producer in Romania with 100% Renewable Energy Portfolio of Scale



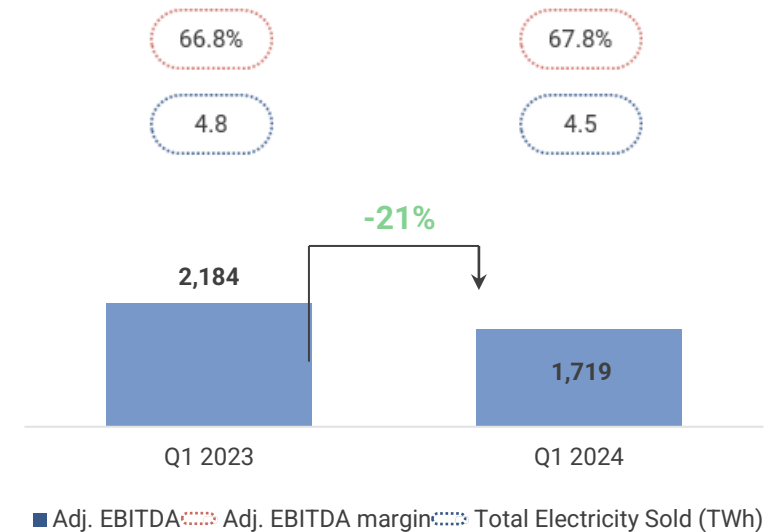
Source: Company Analysis, Autoritatea Națională de Reglementare în domeniul Energiei (Romanian Energy Regulatory Authority) annual reports

Notes:

1. Average market shares between 2018 and 2023, based on total energy delivered to the grid as per Company information
2. Based on market shares of competitive market suppliers as per ANRE 2024 February report
3. Adj. EBITDA is defined as profit for the period before (i) income tax expense, (ii) depreciation and amortization of PP&E and intangible assets, (iii) interest income and interest expenses, adjusted for (a) impairment/reversal of PP&E and (b) gain on bargain purchase of subsidiaries

Financial and Operational Performance

Adj. EBITDA⁽³⁾ (RON M)



Clear Strategy with Focus on Operational Efficiencies, Growth and Shareholder Returns



Operational Efficiency



Optimising Existing Hydroelectric Assets

Driving operational efficiencies through the maintenance and refurbishment of our existing asset base – targeting **predictable and consistent** performance



Executing Organic Hydroelectric Expansion Projects

Implementing the best solutions and new technologies for **complex hydropower projects** under various stages of execution

Diversified Growth



Diversifying into Adjacent Renewable Energy Segments

Fostering **growth and diversification** by developing new production capacities and potential synergies from **other renewable sources** whilst exploring **M&A opportunities**



Growing Share in the Romanian Energy Supply Market

Diversifying power selling capabilities by accelerating supply activity development and growing our share in the supply market

Prudent Financial Strategy



Maximising Cash Generation & Shareholder Returns

Shareholder value focus through operational efficiency and investments to maximise returns, whilst **targeting a minimum 90% pay-out policy**



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Hidroelectrica Q1 2024 Key Financials Update

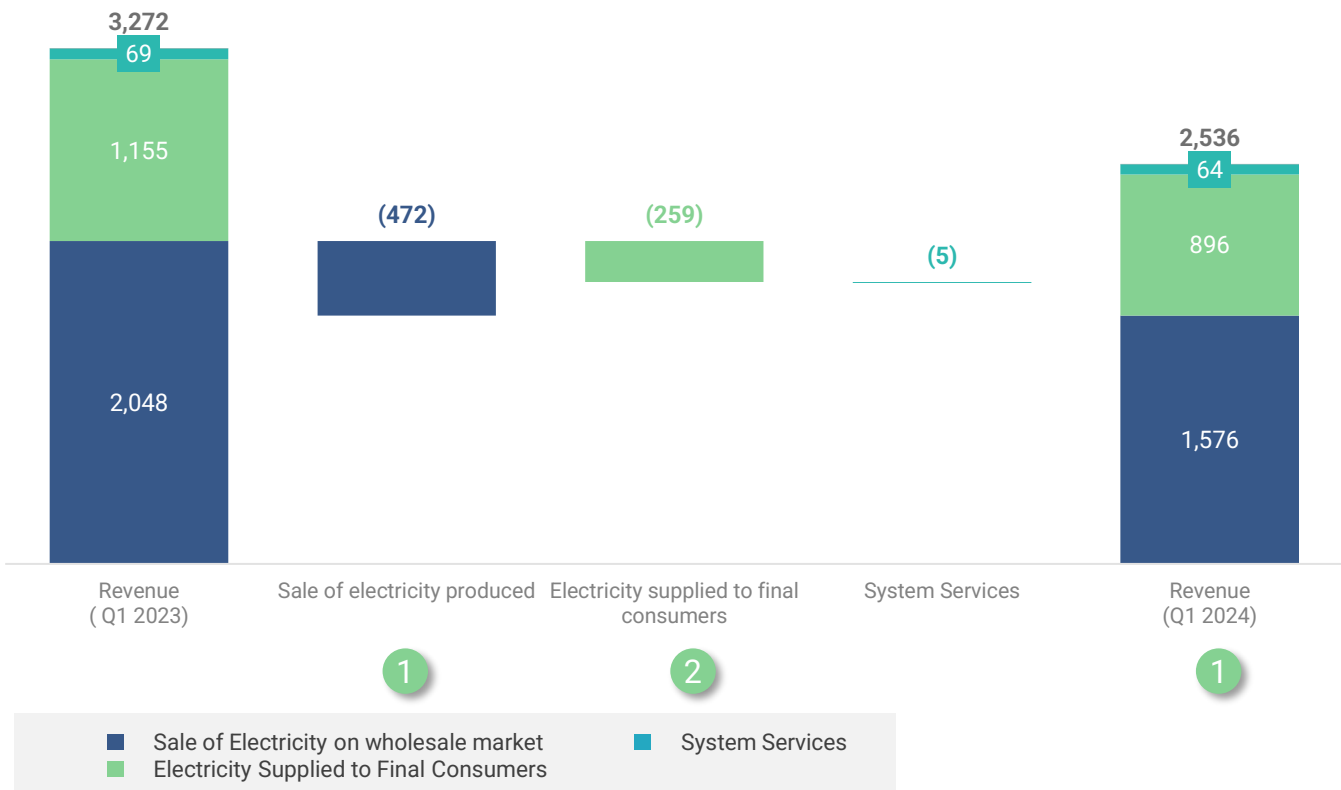


Revenue decreased due to evolution of the energy price



Revenue

Revenue (RON M)



Highlights

- 1 Revenue decrease mainly driven by the decrease in electricity selling prices (both locally and in the interconnected European market) and in the quantity of electricity sold due to hydrological conditions.
- 2 The electricity supplied to final consumers has experienced a slight decrease, attributed to fluctuations resulting from increased competition on this segment.

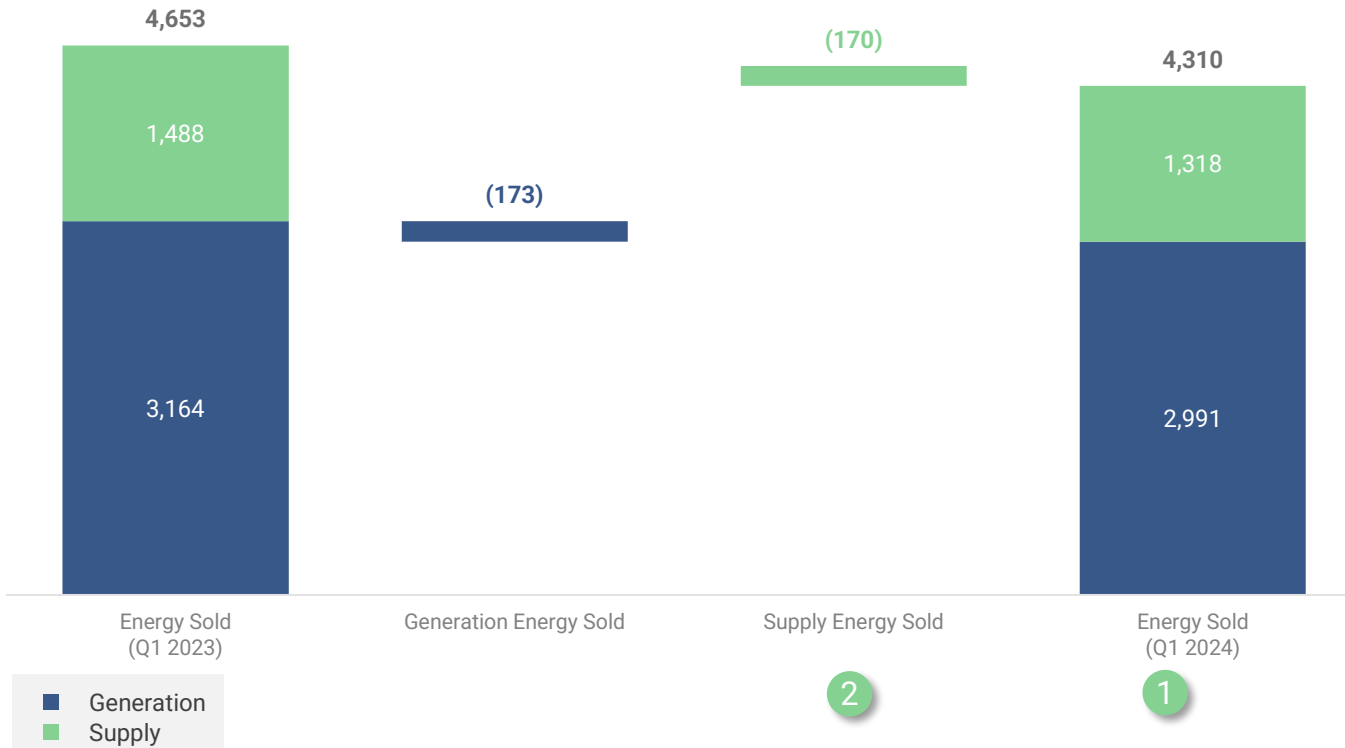
On short term, an increase in competitiveness is anticipated, with each electricity provider aiming to expand their portfolio until the market is fully liberalized.

Volumes decreased in Q1 2024 due to hydrological conditions



Energy Sold

Energy Sold (GWh)



Highlights

- 1 Hidroelectrica's total energy produced in Q1 2024 was 4,296 GWh (-3% from Q1 2023) and the energy sold¹ reached 4,310 GWh (-7% from Q1 2023)
- 2 Of the energy sold, 1,318 GWh were supplied to end users in Q1 2024 compared to 1,488 GWh in Q1 2023

Notes:

1. Energy sold does not include the volumes of positive imbalances

All financial data based on the Unaudited Condensed Consolidated Interim Financial Statements as at 31 March 2024

Adjusted EBITDA

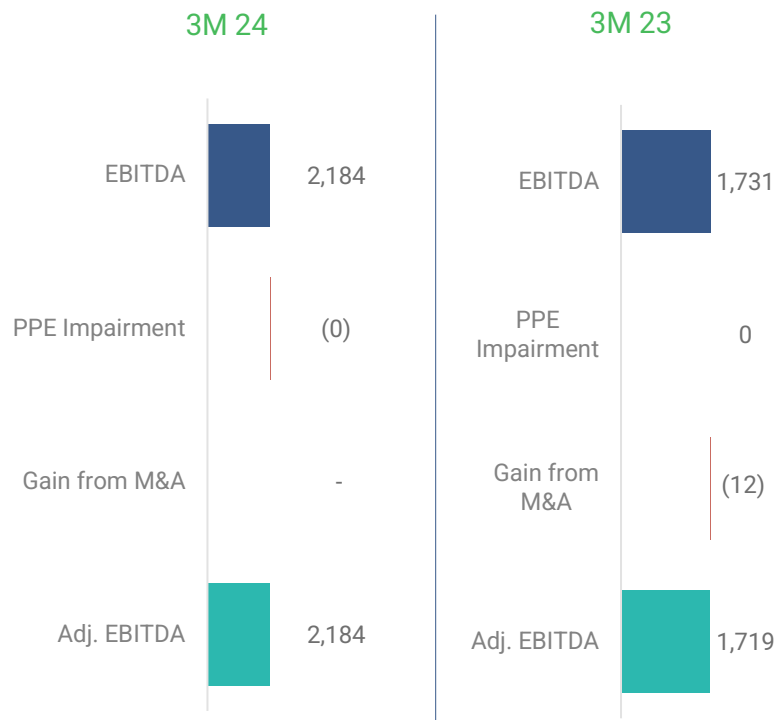
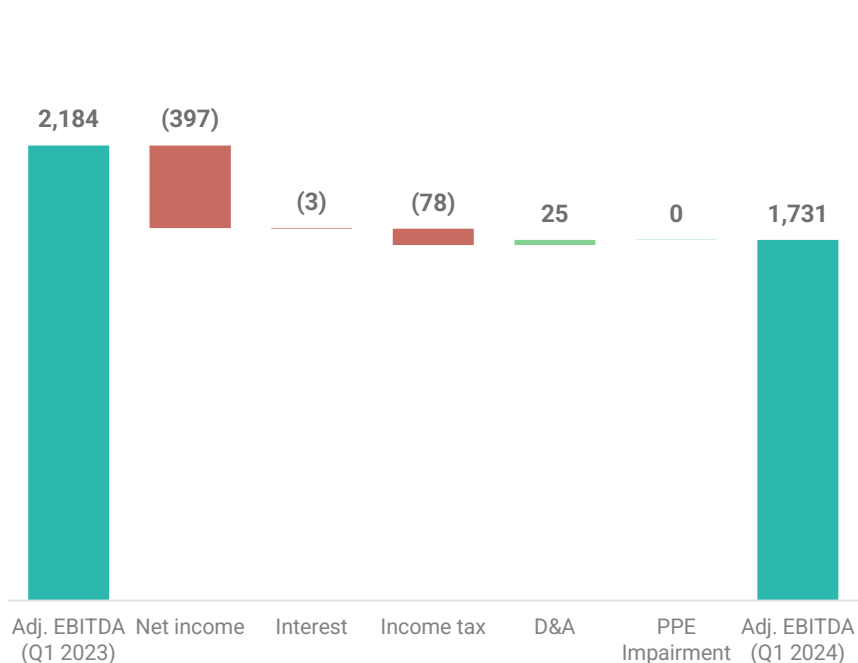


Adjusted EBITDA

Highlights

Adjusted EBITDA (RON M)

Adjusted EBITDA Breakdown (RON M)



- 1 Net Income decreased by RON 397 m (-23%) in Q1 2024 compared to Q1 2023, due to decrease in electricity selling prices and in the quantity of electricity sold
- 2 Decrease in Income Tax by -23% from Q1 2023 to Q1 2024 as a function of lower revenues due to decrease in electricity selling prices and in the quantity of electricity sold

Revenue Build-up

		Q1 2024	Q1 2023	Variation (%)
Net Energy Production	GWh	4,296	4,412	-3%
External Acquisitions	GWh	179	428	
Total Energy Sold	GWh	4,475	4,840	-8%
Generation Energy Sold	GWh	2,897	3,076	-6%
OPCOM Price	RON / MWh	437	588	
OPCOM Revenues	RONm	1,265	1,809	-30%
Other Ancillary Revenues	RONm	64	69	-7%
Balancing Volumes	GWh	94	89	
Balancing Price	RON / MWh	1,532	1,313	
Balancing Revenues	RONm	144	117	23%
Ancillary + Balancing Revenues	RONm	208	186	12%
Supply Volumes	GWh	1,318	1,488	-11%
Supply Prices (ex pass through)	RON / MWh	471	552	
Supply Revenues	RONm	622	822	-24%
Pass Through Revenues	RONm	380	333	
Pass Through %	%	61%	41%	
Total Supply Revenue	RONm	1,002	1,155	-13%
Other revenue from contracts with clients	RONm	61	122	-50%
Positive imbalances ¹	RONm	(119)	92	
Power reduction services revenue	RONm	144	11	
Redistribution of additional revenues	RONm	36	19	
Revenue	RONm	2,536	3,272	-22%

Notes:

1. The quantity of positive imbalances recorded in the 3-month period ended 31 March 2024 is 166 GWh (three-month period ended 31 March 2023: 186 GWh)

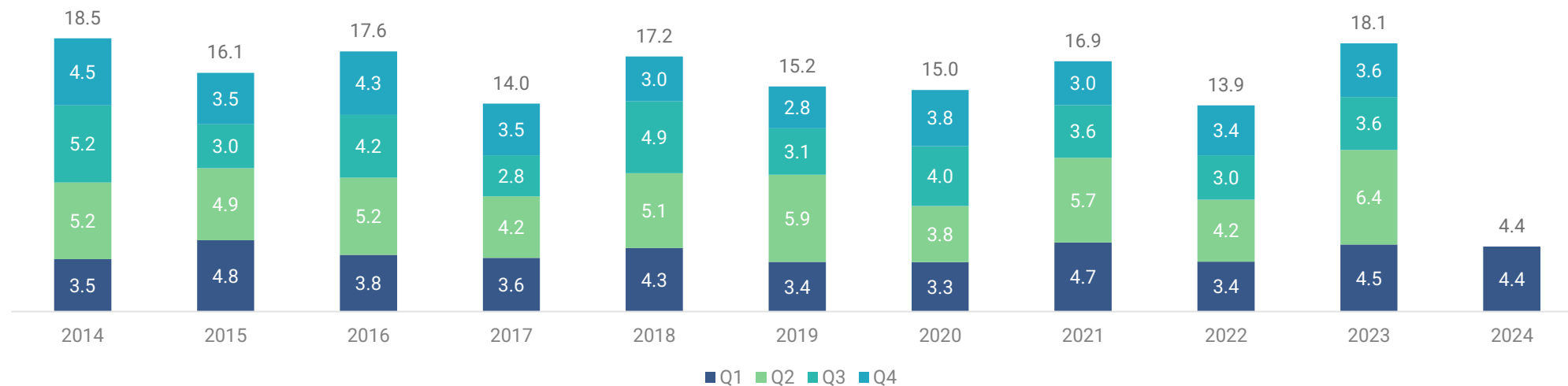
All financial data based on the Unaudited Condensed Consolidated Interim Financial Statements as at 31 March 2024

Electricity Production



Gross Electricity Production for the last 10 years

Gross Electricity Production (TWh)



Stable Cost Structure and a Cost-Efficient Organisation



Operating Expenses

Operating Expenses (RON M)

% of Revenues

40%

41%

	Q1 23	Q1 24	2023 Vs 2022
Employee benefits expenses	158	176	11%
Depreciation and amortization	198	223	12%
Impairment loss on trade receivables	35	4	-89%
Repair, maintenance, materials and consumables	18	15	-19%
Other operating expenses	47	58	23%
Turbinated water	164	160	-2%
Electricity purchased	160	11	-93%
Tax for electricity producers	231	-	-100%
Transport and distribution of electricity	250	344	37%
Green certificates expenses	37	57	53%
	1,298	1,046	-19%

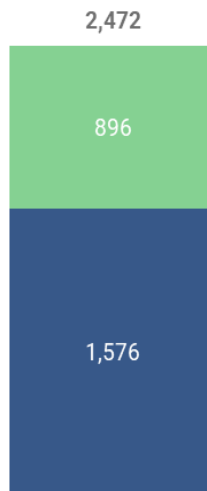
Highlights

- 1 Decrease in electricity purchased from Q1 2023 to Q1 2024 primarily due to covering the electricity needs for the supply segment from electricity generation segment.
- 2 For the three months ended 31 March 2024, no tax expenses for electricity producers was recorded as a result of the decrease in electricity sale prices in the first quarter of 2024.
- 3 Electricity transport and distribution expenses increased by 37% to RON 344 million in the three months ended 31 March 2024, from RON 250 million in the three months ended 31 March 2023 due to successive increases in the regulated tariffs starting 1 April 2023 and 1 January 2024.

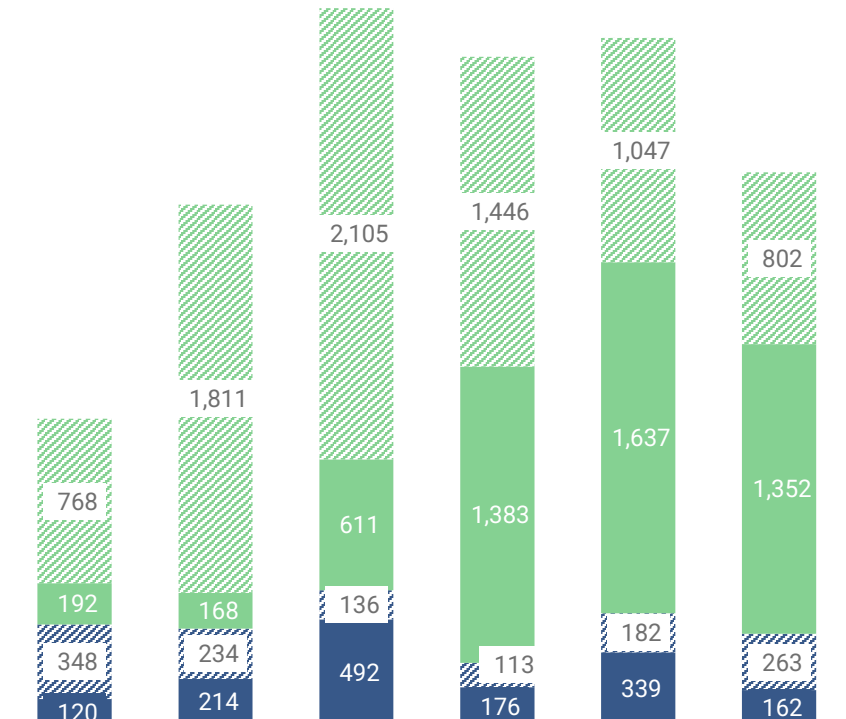
Trade Receivables



Wholesale and Retail Revenue
(RON M)



Wholesale and Retail Receivables
(RON M)



Supply Clients (consumptions sites)
(Numbers)



■ Wholesale ■ Retail

■ Wholesale - Billed ■ Wholesale - Unbilled
■ Retail - Billed ■ Retail - Unbilled

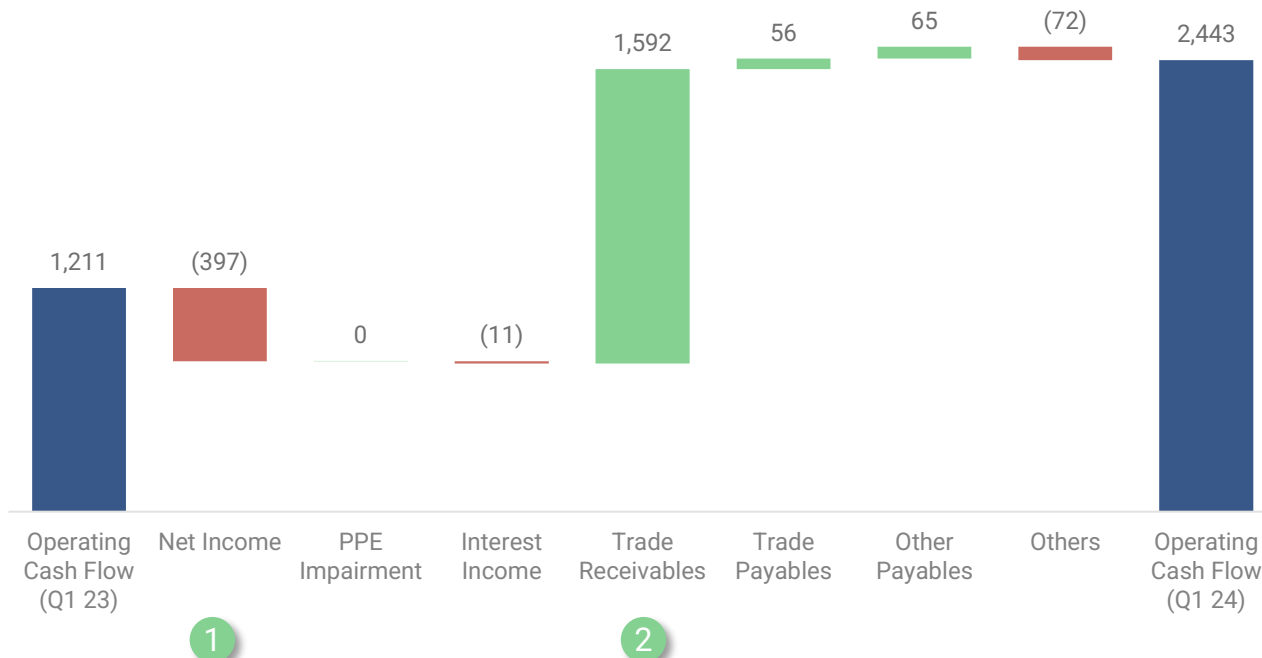
■ Household ■ Non-household

Notes: All financial data based on the Unaudited Condensed Consolidated Interim Financial Statements as at 31 March 2024

Stable Cash Flows from Both Power Generation and Supply activities

Operating Cash Flow

Operating Cash Flow (RON MM)



Highlights

- Net Income decreased by RON 397 m (-23%) in Q1 2024 compared to Q1 2023, due to decrease in electricity selling prices and in the quantity of electricity sold
- Decrease of Trade Receivables is primarily due to the decrease in the balance of trade receivables as of 31 March 2024, negatively influenced by the decrease in net profit in the first three months of 2024 compared to the first three months of 2023. As a result, there is a 102% increase in net cash from operating activities in the three-month period ending 31 March 2024, compared to the same period in 2023.



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Appendix



Current Regulatory Framework in the Romanian Energy Market



GEO 32/2024 (modifies the GEO 27/2022)

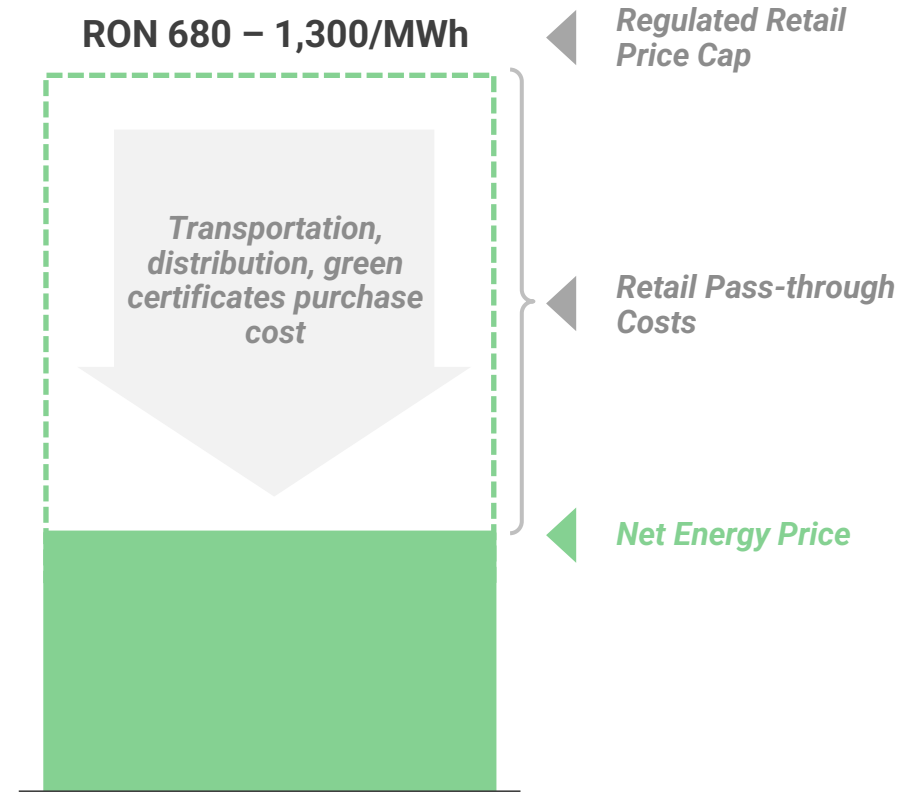
- Centralized Purchase Mechanism (CEPM or MACEE) became voluntary starting on 1 April, until 31 December 2024.
- The price decreased from RON 450/MWh to RON 400/MWh.
- 100% tax applied when the monthly producer price exceeds the reference price RON 400/MWh.
- Producers are allowed to trade available energy on bilateral markets (direct or centralized) starting on 1 April 2024.

Retail Price Caps

Until March 2026

Households	<ul style="list-style-type: none"> • RON 680 – 1,300/MWh
Non-household consumers	<ul style="list-style-type: none"> • RON 1,000/MWh – 85% of monthly consumption for SMEs, public utilities, consumer goods sector, hospitals and other • RON 1,300/MWh – all other business clients
Suppliers	<ul style="list-style-type: none"> • The cap is reimbursed up to a maximum of RON 700/MWh (applies only to active energy)

Illustrative Retail Customer Invoice Composition





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End Presentation

Q&A session