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**SOCIETATEA DE PRODUCERE A ENERGIEI ELECTRICE IN HIDROCENTRALE
“HIDROELECTRICA” S.A. Announces Pricing and Allocation of its Initial Public Offering**

Bucharest, Romania, 5 July 2023. SOCIETATEA DE PRODUCERE A ENERGIEI ELECTRICE IN HIDROCENTRALE “HIDROELECTRICA” S.A., with its headquarters at 10th -15th floor, 15-17 Ion Mihalache Avenue, Bucharest, Romania, (“Hidroelectrica” or the “Company”), Romania’s leading electricity producer with a 100% renewable portfolio and one of the largest hydropower companies in Europe, announces the pricing of the initial public offering (the “IPO”, “Offering” or “Offer”) by Fondul Proprietatea S.A., with its headquarters at 76-80 Buzesti Street, 7th floor, Bucharest, Romania, (“Fondul” or the “Selling Shareholder”), an alternative investment fund managed by Franklin Templeton International Services S.À R.L., of 78,007,110 of the Company’s existing ordinary shares (the “Offer Shares”). Following the closing of the Offer, Hidroelectrica will apply for admission (the “Admission”) to listing and trading of its shares on the Premium tier of the regulated market of the Bucharest Stock Exchange (the “BSE”).

Highlights:

- The Offer has been priced at RON 104 per Offer Share (“the Offer Price”), implying a market capitalisation of RON 46.8 billion (€9.4 billion).
- Retail investors in Romania were entitled to a 3% discount from the Offer Price for applications submitted on the first five business days of the Offer Period. The final discounted offer price for shares subscribed for under these conditions is RON 100.88 per Offer Share.
- The Offer, including the additional shares over-alloted for stabilisation purposes, represents a number of 89,708,177 shares, amounting to 19.94% of Hidroelectrica’s total issued share capital and Fondul’s entire holding in the Company.
- The Offering was oversubscribed multiple times at the Offer Price, with strong investor demand from investors globally, including from Romania. Formal allocation took place today, 5 July 2023. The Company and Selling Shareholder jointly decided to re-allocate shares from the Institutional Tranche to the Retail Tranche following which Institutional investors were allotted 71,766,542 shares, and retail investors were allotted 17,941,635 shares, representing 80% and

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20%, respectively, of the total number of sold shares (including the additional shares over-allotted for stabilisation purposes). The pro rata allocation factor calculated for the retail investors tranche is at 0.3209762650.

- The Cornerstone Investors (as defined in the Prospectus) purchased in aggregate RON 2.24 billion in shares at the Offer Price, subject to certain customary conditions.
- Settlement will take place on 10 July 2023. The Admission and start of trading on the BSE under the symbol “H2O” is expected to take place on 12 July 2023.
- Immediately following the Admission, the Company’s shares will be included in the BET index of the BSE.
- The Selling Shareholder has granted the Joint Global Coordinators an over-allotment option, representing a number of 11,701,067 shares, namely 15% of the Offer Shares, exercisable in whole or in part within 30 calendar days following the Admission.
- The Company and Fondul are subject to a lock-up arrangement during a period from 22 June 2023 until the date falling 180 days after the date of Admission, and the majority shareholder is subject to a lock-up arrangement during a period from 22 June 2023 until 12 months after the date of Admission, subject to certain exceptions disclosed in the Prospectus.
- Citigroup Global Markets Europe AG, Erste Group Bank AG, Jefferies GmbH and Morgan Stanley Europe SE are acting as Joint Global Coordinators in connection with the Offering. Banca Comerciala Romana S.A., Barclays Bank Ireland PLC, BofA Securities Europe SA, UBS Europe SE, UniCredit Bank AG, Milan Branch and WOOD & Company Financial Services, a.s. are acting as Joint Bookrunners. Auerbach Grayson, BRD - Groupe Société Générale, S.S.I.F. BT Capital Partners S.A. and S.S.I.F. Swiss Capital S.A. are acting as Co-Lead Managers (together, the "Underwriters").
- Rothschild & Co Equity Markets Solutions Limited is acting as Financial Adviser to Fondul Proprietatea S.A., and STJ Advisors is acting as Financial Adviser to the Company in connection with the IPO.

Bogdan Badea, Chief Executive Officer of Hidroelectrica, commented:

“We are happy to see the strong investor interest which has driven a successful outcome of Hidroelectrica’s IPO. This is a significant milestone for both Hidroelectrica and Romania, which will support our company’s long-term development.”

On behalf of the company, I look forward to welcoming new shareholders to Hidroelectrica. As Romania’s leading electricity producer with a 100% renewable energy portfolio, we aim to drive value creation as we help the country deliver on its energy transition.”

Prospectus:

The Prospectus and related documentation are available on Hidroelectrica’s, Fondul Proprietatea’s and BSE’s websites: www.hidroelectrica.ro, www.fondulproprietatea.ro, www.bvb.ro.

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Company overview:

Hidroelectrica is the leading electricity producer in Romania in terms of electricity produced and one of the largest hydro players in Europe. It owns and operates 182 hydropower plants, five pumping stations and one wind farm, which are strategically positioned in eight geographical branches across Romania. The total installed capacity of the Company's hydro assets is divided into storage hydropower plants, run-of-river hydropower plants and pumping stations.

Hidroelectrica has a 100% renewable portfolio with an installed hydropower production capacity of approximately 6.3 GW and an installed onshore wind capacity of 108 MW from the Crucea wind farm.

Between 2018 and 2022, the Company had an average market share of approx. 29% in terms of total electricity delivered to the grid (as per the Romanian Energy Regulatory Authority ("ANRE") annual reports).

Hidroelectrica is one of the largest hydropower producers in Europe, generating 13.6 TWh of electricity from hydro sources in 2022, 16.9 TWh in 2021 and 15 TWh in 2020 (all representing gross production). The 2022 production level reflects less favourable hydrological conditions, due to a severe drought.

In addition to the production of electricity, Hidroelectrica supplies electricity to the Romanian wholesale and retail electricity markets. The Company's market share in electricity supplied to retail customers has grown from 1.3% in 2020 to approximately 8% as at December 2022, according to ANRE. The number of Hidroelectrica's retail customers has increased from 2,465 in 2020 to more than 482,000 in 2022. The Company supplied approximately 3.7 TWh of electricity to final consumers in 2022, according to ANRE.

In the years ended 31 December 2022, 2021 and 2020, the Company generated consolidated revenue of RON 9,452.0 million, RON 6,489.3 million and RON 3,841.4 million, respectively. In the same period, the Company reported profits for the year of RON 4,464.0 million, RON 3,116.1 million and RON 1,558.0 million, respectively.

In the first quarter of 2023, the Company generated consolidated revenues of RON 3,272.1 million, driven by higher total energy sold (4.8 TWh GWh in 1Q23) on all markets, including wholesale, retail and balancing markets. This translated into a total Adjusted EBITDA of RON 2,184.2 million and profit for the period of RON 1,723.4 million for 1Q2023, compared to total Adjusted EBITDA of RON 1,702.7 million and reported profit for the period of RON 1,287.9 million for 1Q2022.

Immediately prior to the IPO, the Shares of the Company are owned by the Romanian Ministry of Energy (80.06%) as well as Fondul Proprietatea (19.94%). Fondul Proprietatea held a minority shareholding in Hidroelectrica since the fund was established in 2005.

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IMPORTANT INFORMATION

This press release is not an offer of securities for sale in the United States. The securities to which this press release relates have not been registered under the US Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration or an exemption from registration or in a transaction not subject to the registration requirements under the Securities Act. There will be no public offering of the Offer Shares in the United States.

This press release is being distributed to and is only directed at (i) persons who are outside the United Kingdom, and (ii) to persons within the United Kingdom who are (A) "qualified investors" within the meaning of Article 2 of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018 and (B) either (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the “Order”), (b) high net worth companies, (c) other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, or (d) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of Financial Services and Markets Act 2000, as amended (“FSMA”)) may otherwise be lawfully communicated or caused to be communicated (all such persons in (i) to (ii) above together being referred to as “relevant persons”). Any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Company has not authorized any offer to the public of the Offer Shares in any Member State of the European Economic Area other than Romania. With respect to each Member State of the European Economic Area other than Romania and which has implemented the EU Prospectus Regulation (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring a publication of a prospectus in any Relevant Member State. As a result, the Offer Shares may only be offered in Relevant

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Member States to a legal entity that is a qualified investor as defined under the Prospectus Regulation; to fewer than 150 natural or legal persons per Relevant State (other than to qualified investors as defined in Article 2(e) of the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or in any other circumstances falling within Article 1(d) of the Prospectus Regulation, provided that no such offer of the Offer Shares shall require the Company, the Shareholders or any of the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this paragraph, the expression an “offer to the public of securities” in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Regulation in that Member State and the expression “EU Prospectus Regulation” means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant Member State.

This announcement contains forward-looking statements that reflect the Company's current views about future events. The words "will," "target," "aim," "ambition", "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "can," "could," "plan," "project," "should" and similar expressions are used to identify forward-looking statements. These statements are subject to many risks, uncertainties and assumptions. If any of these risks and uncertainties materializes or if the assumptions underlying any of the Company's forward-looking statements prove to be incorrect, the actual results may be materially different from those the Company expresses or implies by such statements. Forward-looking statements in this announcement are based solely on the circumstances at the date of publication.

Subject to compliance with applicable law and regulations, neither the Selling Shareholder, nor the Company nor any of the Underwriters nor their respective affiliates intend to update, review, revise or conform any forward-looking statement contained in this announcement to actual events or developments whether as a result of new information, future developments or otherwise, and do not undertake any obligation to do so.

The Underwriters are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the planned Offer. They will not regard any other person as their respective clients in relation to the planned Offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

None of the Underwriters nor any of their respective affiliates nor any of the Underwriters' or such affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this release (or whether any information has been omitted from the release) or any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection therewith.

To cover potential over-allotments, the Selling Shareholder has agreed to make available a specified number of Offer Shares to the Stabilisation Manager. In connection with the placement

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of such Offer Shares, Erste Group Bank AG (acting directly or through Banca Comerciala Romana S.A.) as stabilisation agent (the "Stabilisation Agent") on behalf of Citigroup Global Markets Europe AG (the "Stabilisation Manager") may, as Stabilisation Agent, make over-allotments and take stabilisation measures in accordance with legal requirements (Art. 5(4) and (5) of Regulation (EU) No 596/2014 in conjunction with Articles 5 through 8 of Commission Delegated Regulation (EU) 2016/1052) to support the market price of the Offer Shares and thereby counteract any selling pressure. The Stabilisation Manager is under no obligation to take any stabilisation measures. Therefore, stabilisation may not necessarily occur and may cease at any time. Such measures may be taken on the Bucharest Stock Exchange from the date when trading in the Shares is commenced on the Spot Regulated Market, expected on or around 12 July 2023, and must be terminated no later than 30 calendar days after this date (the "Stabilisation Period"). Stabilisation transactions aim at supporting the market price of Offer Shares during the Stabilisation Period. These measures may result in the market price of the Shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that such Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offering. For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i)

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compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "UK Target Market Assessment"). Notwithstanding the UK Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own UK Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

The approval visa applied on the Prospectus does not constitute a guarantee or any kind of assessment by the FSA with regard to the opportunity, the advantages or disadvantages, the profit or risks involved in accepting the Offering, object of the approval decision; the approval certifies only the conformity of the Prospectus with the legal requirements and the rules adopted for the application thereof.