



HIDROELECTRICA

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

General Presentation

H1 2024 Key Financials Update



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All financial data presented in the following slides is based on the Reviewed Condensed Consolidated Interim Financial Statements as at 30 June 2024.

Hidroelectrica Management Board



Karoly Borbely

*CEO / President of the
Management Board*



Marian Fețița

*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*

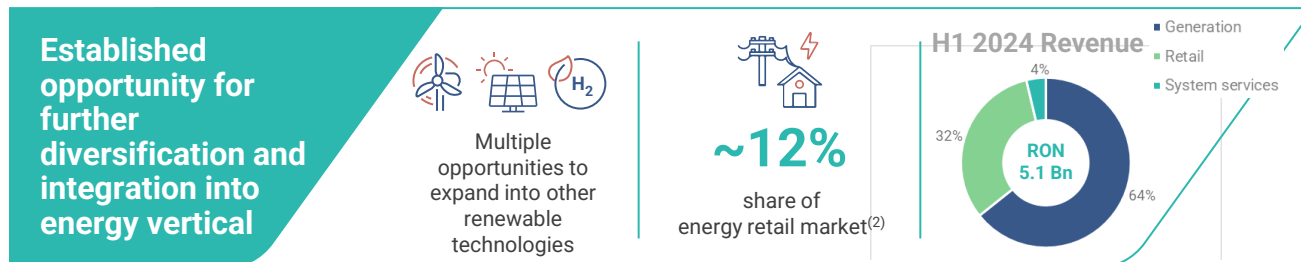
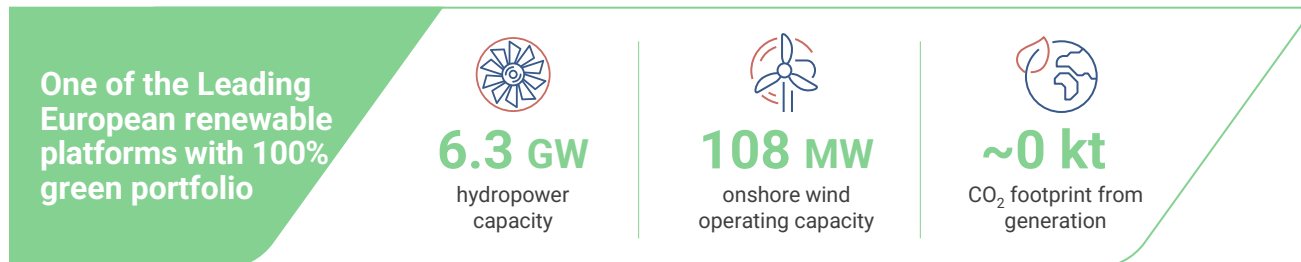
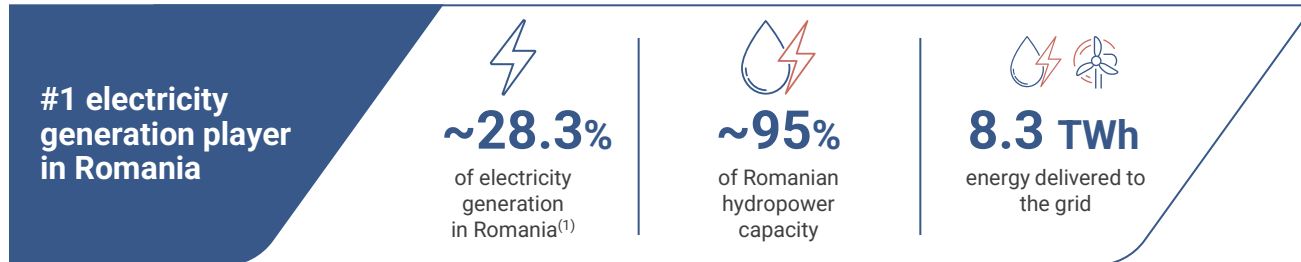


Following the completion of the Selection Procedure for the members of the Management Board, the Supervisory Board decided to appoint the persons presented above as members of Hidroelectrica Management Board **for a period of 4 years, starting with 7 November 2023.**

Hidroelectrica at a Glance



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



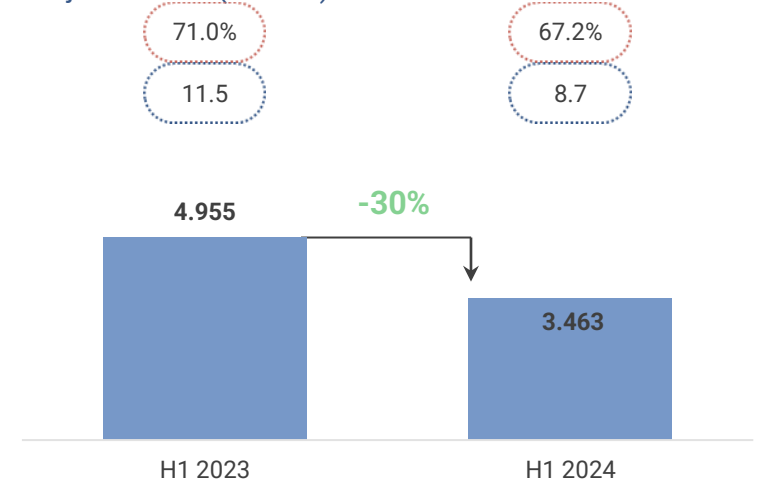
Source: Company Analysis, Autoritatea Națională de Reglementare în domeniul Energiei (Romanian Energy Regulatory Authority) annual reports

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 April 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
4. Pay-out ratio is calculated as Total Dividends/Net Profit

Financial and Operational Performance

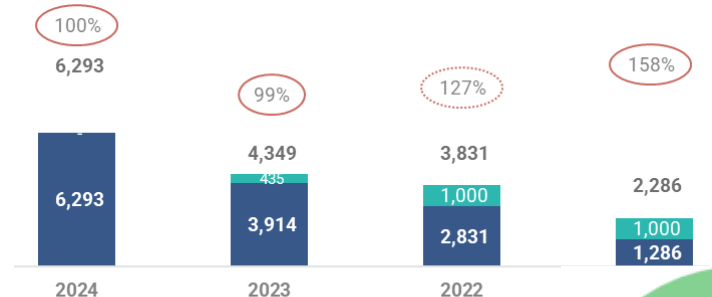
Adj. EBITDA⁽³⁾ (RON M)



■ Adj. EBITDA ■ Adj. EBITDA margin ■ Total Electricity Sold (TWh)

Attractive Regular and Special Dividend Payout of >90%

Distributed Dividend (RON M)⁽⁴⁾



■ Regular Dividends ■ Special Dividends



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Hidroelectrica H1 2024 Key Financials Update



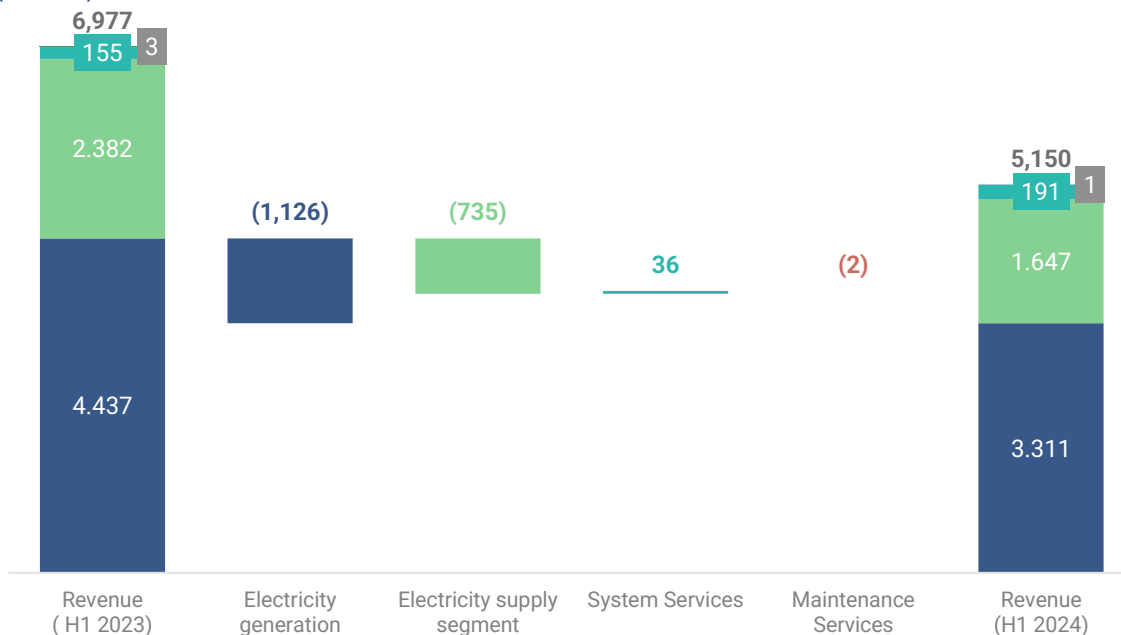
Revenue decreased due to evolution of the energy price and volumes



Revenue

Highlights

Revenue (RON M)



- 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 produced due to hydrological conditions.
- 2 The electricity supplied to final consumers has experienced a 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.

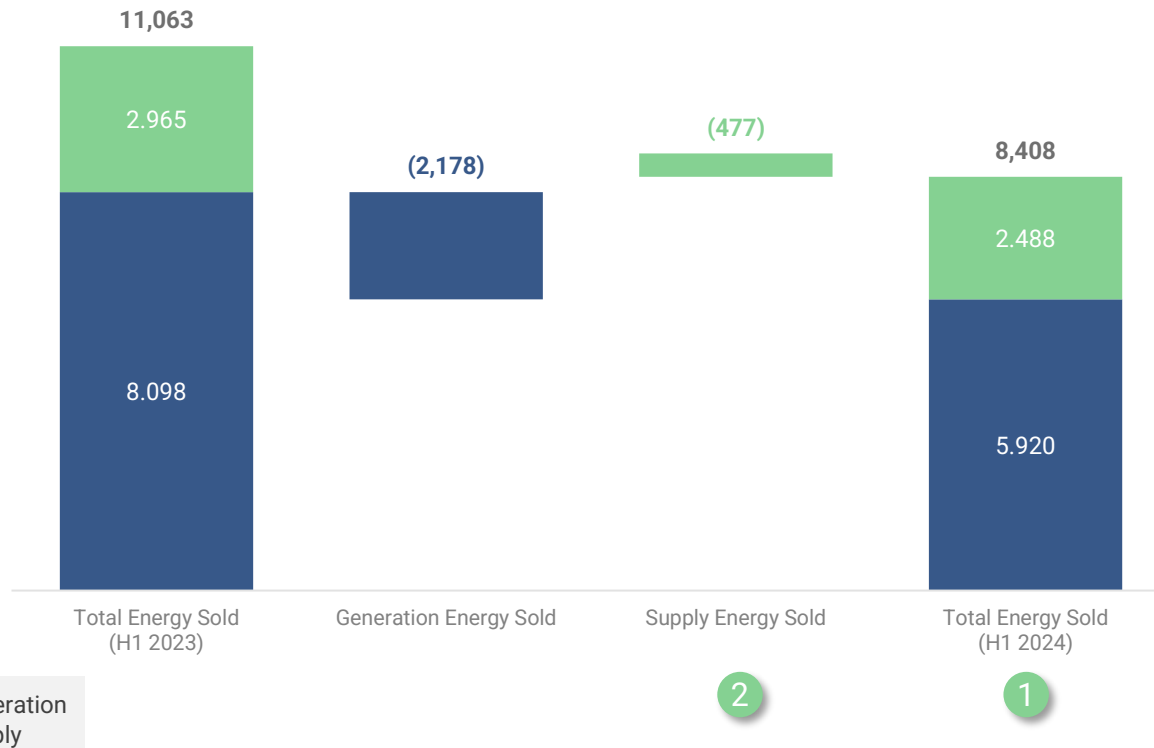
■ Sale of Electricity on wholesale market
■ Electricity Supplied to Final Consumers
■ System Services

Volumes decreased in H1 2024 due to hydrological conditions



Energy Sold

Energy Sold (GWh)



Highlights

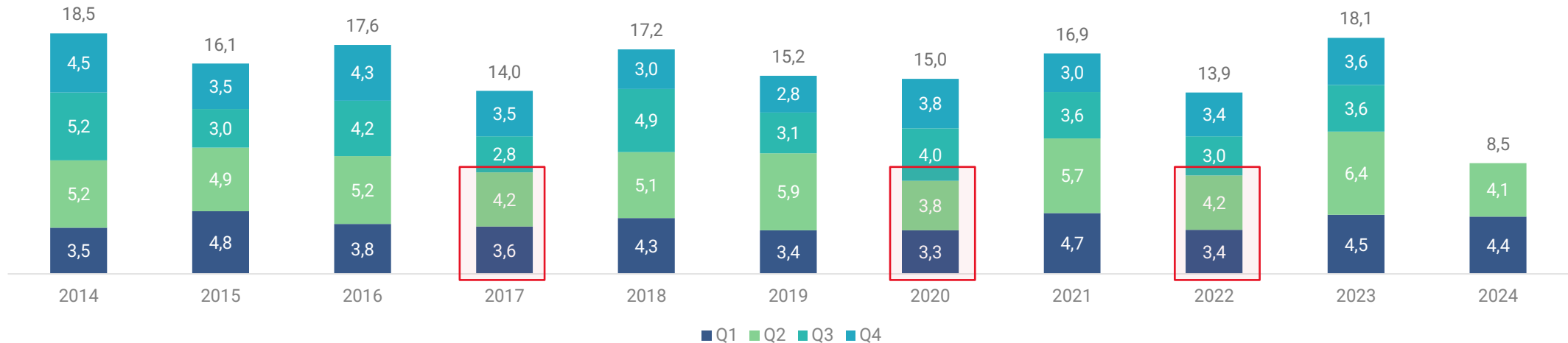
- 1 Hidroelectrica's total energy produced in H1 2024 was 8,293 GWh (-22% from H1 2023) and the energy sold¹ reached 8,408 GWh (-24% from H1 2023)
- 2 Of the energy sold, 2,488 GWh were supplied to end users in H1 2024 compared to 2,965 GWh in H1 2023

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

Electricity Production

Gross Electricity Production for the last 10 years

Gross Electricity Production (TWh)



Revenue Build-up

		H1 2024	H1 2023	Variation (%)
Total Production	GWh	8,293	10,625	-22%
External Acquisitions	GWh	416	835	
Total Energy Sold	GWh	8,709	11,460	-24%
Generation Energy Sold	GWh	5,636	7,947	-29%
OPCOM Price	RON / MWh	441	508	
OPCOM Revenues	RONm	2,486	4,037	-38%
Other Ancillary Revenues	RONm	191	155	23%
Balancing Volumes	GWh	285	151	
Balancing Price	RON / MWh	1,580	1,336	
Balancing Revenues	RONm	450	202	123%
Ancillary + Balancing Revenues	RONm	641	357	80%
Supply Volumes	GWh	2,488	2,965	-16%
Supply Prices (ex pass through)	RON / MWh	454	560	
Supply Revenues	RONm	1,130	1,660	-32%
Pass Through Revenues	RONm	723	694	
Pass Through %	%	64%	42%	
Total Supply Revenue	RONm	1,853	2,354	-21%
Other revenue from contracts with clients, out of	RONm	170	229	-26%
Positive imbalances	RONm	(248)	157	
Power reduction services revenue	RONm	358	35	
Redistribution of additional revenues	RONm	60	33	
Revenue	RONm	5,150	6,977	-26%

Notes:

1. The quantity of positive imbalances recorded in the 6-month period ended 30 June 2024 is 301 GWh (6-month period ended 30 June 2023: 397 GWh)

All financial data based on the Reviewed Condensed Consolidated Interim Financial Statements as at 30 June 2024

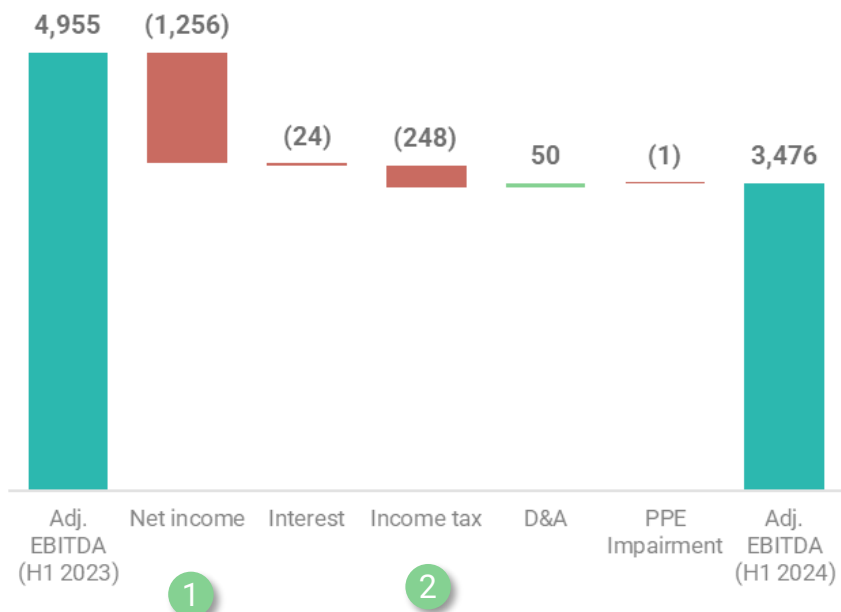
Adjusted EBITDA



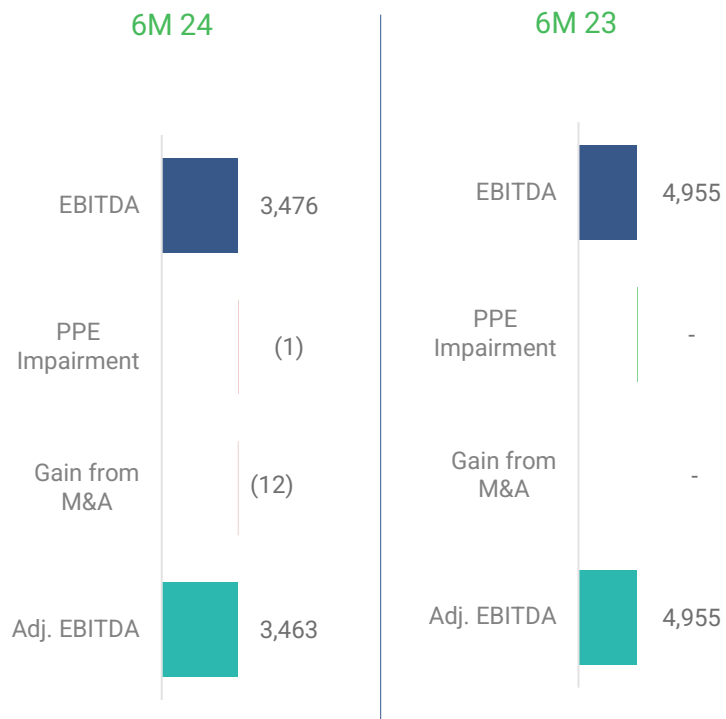
Adjusted EBITDA

Highlights

Adjusted EBITDA (RON M)



Adjusted EBITDA Breakdown (RON M)



- 1 Net Income decreased by RON 1,256 m (-32%) in H1 2024 compared to H1 2023, due to decrease in electricity selling prices and in the quantity of electricity sold
- 2 Decrease in Income Tax by -32% from H1 2023 to H1 2024 as a function of lower revenues due to decrease in electricity selling prices and in the quantity of electricity sold

Stable Cost Structure and a Cost-Efficient Organisation



Operating Expenses

Operating Expenses (RON M)

% of Revenues

		35%	42%	
		H1 23	H1 24	2024 Vs 2023
Employee benefits expenses		364	370	2%
Depreciation and amortization	1	398	447	13%
Impairment loss on property, plant and equipment and intangible assets, net		0	(1)	-428%
Impairment loss on trade receivables, net		48	2	-97%
Repair, maintenance, materials and consumables		39	25	-36%
Other operating expenses		157	144	-9%
Turbinated water	2	378	311	-18%
Electricity purchased	3	215	47	-78%
Tax for electricity producers	4	221	90	-59%
Transport and distribution of electricity	5	503	599	19%
Green certificates expenses		123	112	-9%
		2,447	2,146	-12%

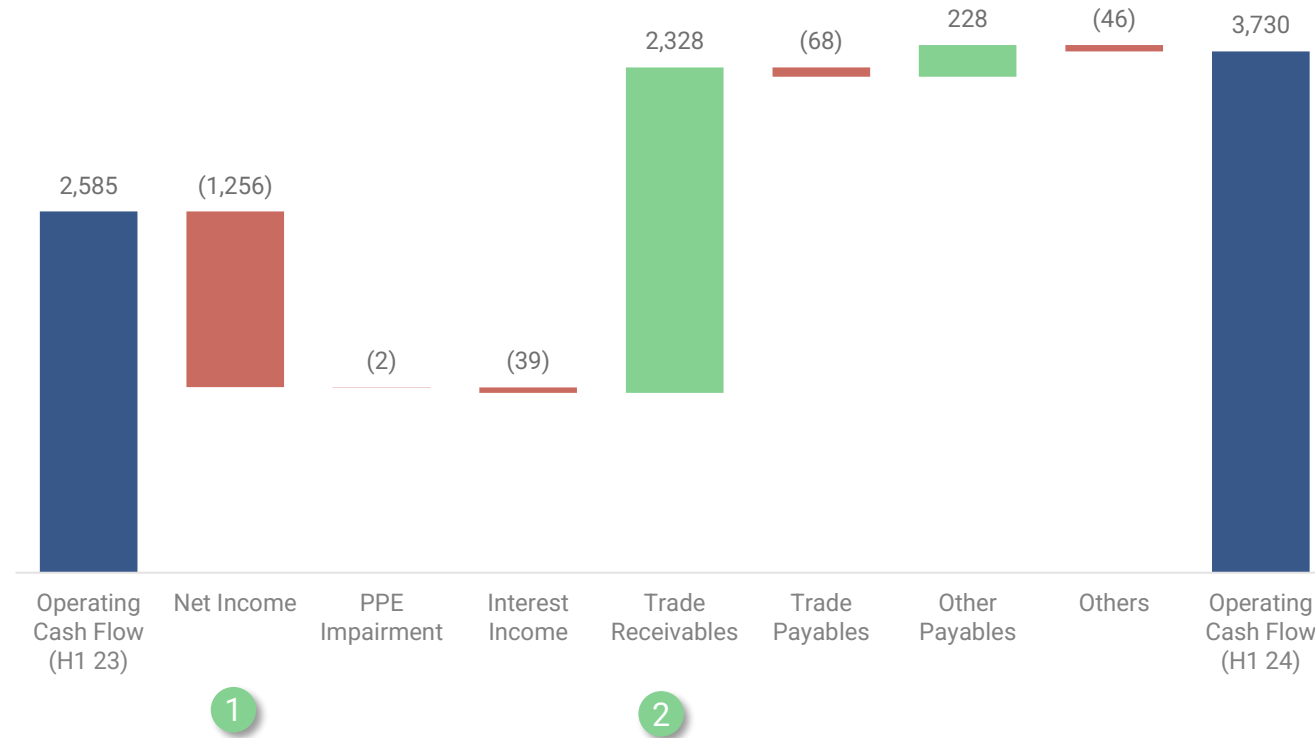
Highlights

- 1 Increase in depreciation and amortization by 13% from H1 2023 to H1 2024 primarily due to the reevaluation of assets performed at the end of 2023 which resulted in an increase in the fair value of property, plant and equipment
- 2 Decrease in turbinated water expense was mainly caused by the decrease in the quantity of energy produced in the first semester of 2024 as compared to the same period of 2023.
- 3 Decrease in electricity purchased from H1 2023 to H1 2024 primarily due to covering the electricity needs for the supply segment from electricity generation segment as well as the decrease in the average price of negative imbalances
- 4 Decrease in tax expenses for electricity producers was recorded as a result of the decrease in electricity sale prices in the first half of 2024.
- 5 Electricity transport and distribution expenses increased by 19% to RON 503 million in H1 2024, from RON 250 million in H1 2023 due to successive increases in the regulated tariffs starting 1 April 2023, 1 January 2024 and 1 June 2024, increase negatively influenced by the decrease in supplied volumes.

Stable Cash Flows from Both Power Generation and Supply activities

Operating Cash Flow

Operating Cash Flow (RON MM)



Highlights

1 Net Income decreased by RON 1,256 m (-32%) in H1 2024 compared to H1 2023, due to decrease in electricity selling prices and in the quantity of electricity sold

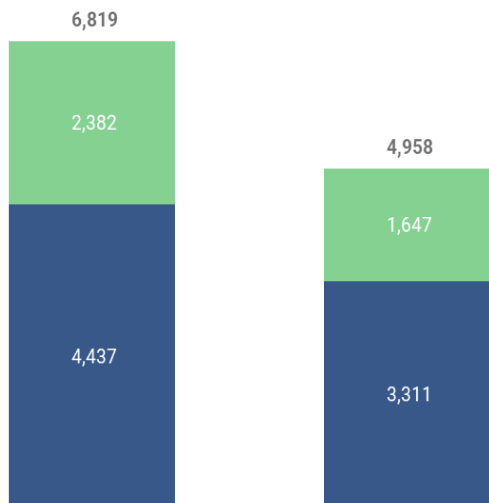
2 Trade Receivables decreased mainly due to the improvement of the debt recovery process in H1 2024 compared to the fourth quarter of 2023.

As a result, there is a 44% increase in net cash from operating activities in the six month period ending 30 June 2024, compared to the same period in 2023.

Trade Receivables

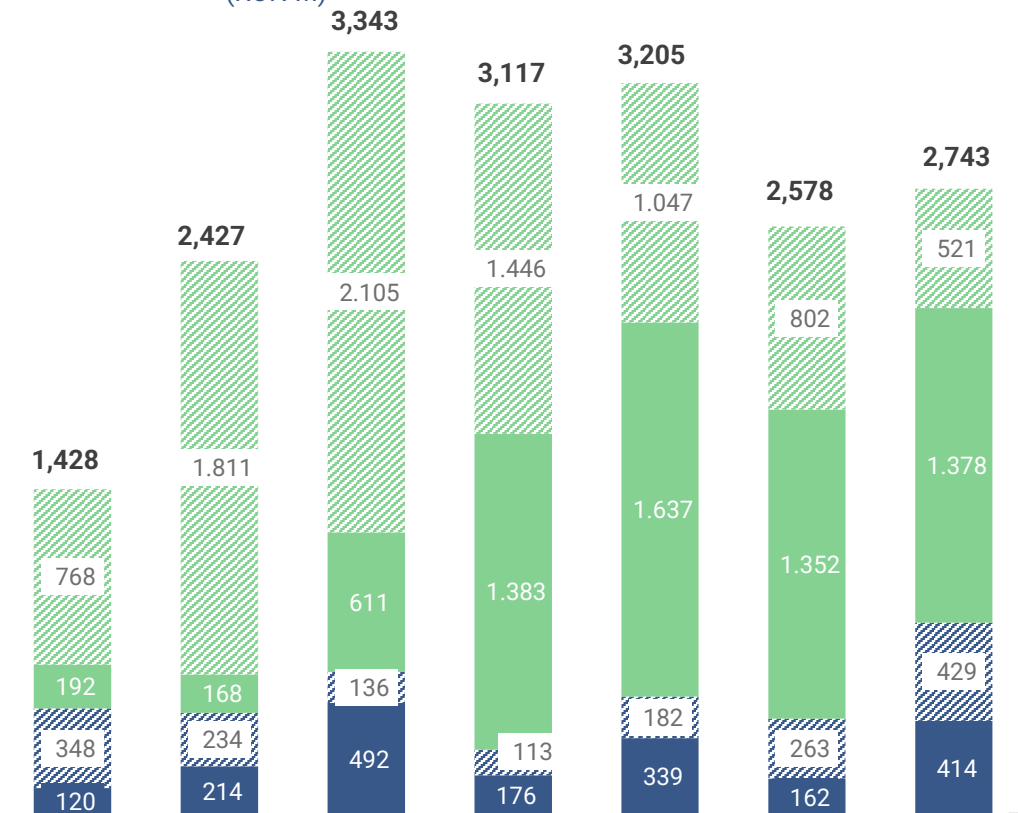
Wholesale and Retail Revenue

(RON M)



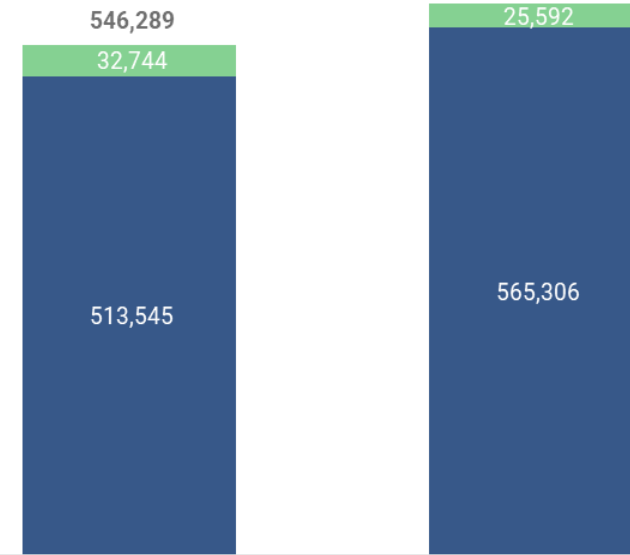
Wholesale and Retail Receivables

(RON M)



Supply Clients (consumptions sites)

(Numbers)



■ Wholesale ■ Retail

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

■ Household ■ Non-household



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Appendix



Current Regulatory Framework in the Romanian Energy Market



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

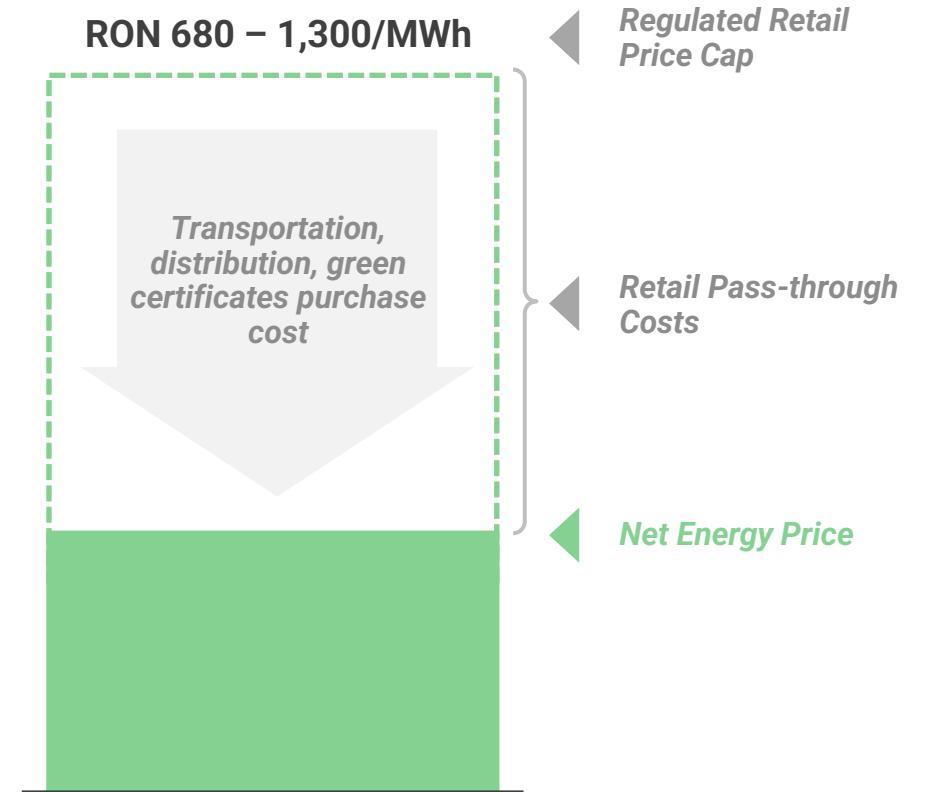
- Centralized Purchase Mechanism (CEPM or MACEE) became voluntary starting on 1 April, until 31 December 2024.
- The price decreased from RON 450/MWh to RON 400/MWh.
- 100% tax applied when the monthly producer price exceeds the reference price RON 400/MWh.
- Producers are allowed to trade available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