



HIDROELECTRICA

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

1H 2023 Key Financials Update

17 August 2023



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Bogdan-Nicolae Badea

CEO / President of the Executive Board



Dragos Rosu

Head of Strategy & Corporate Affairs



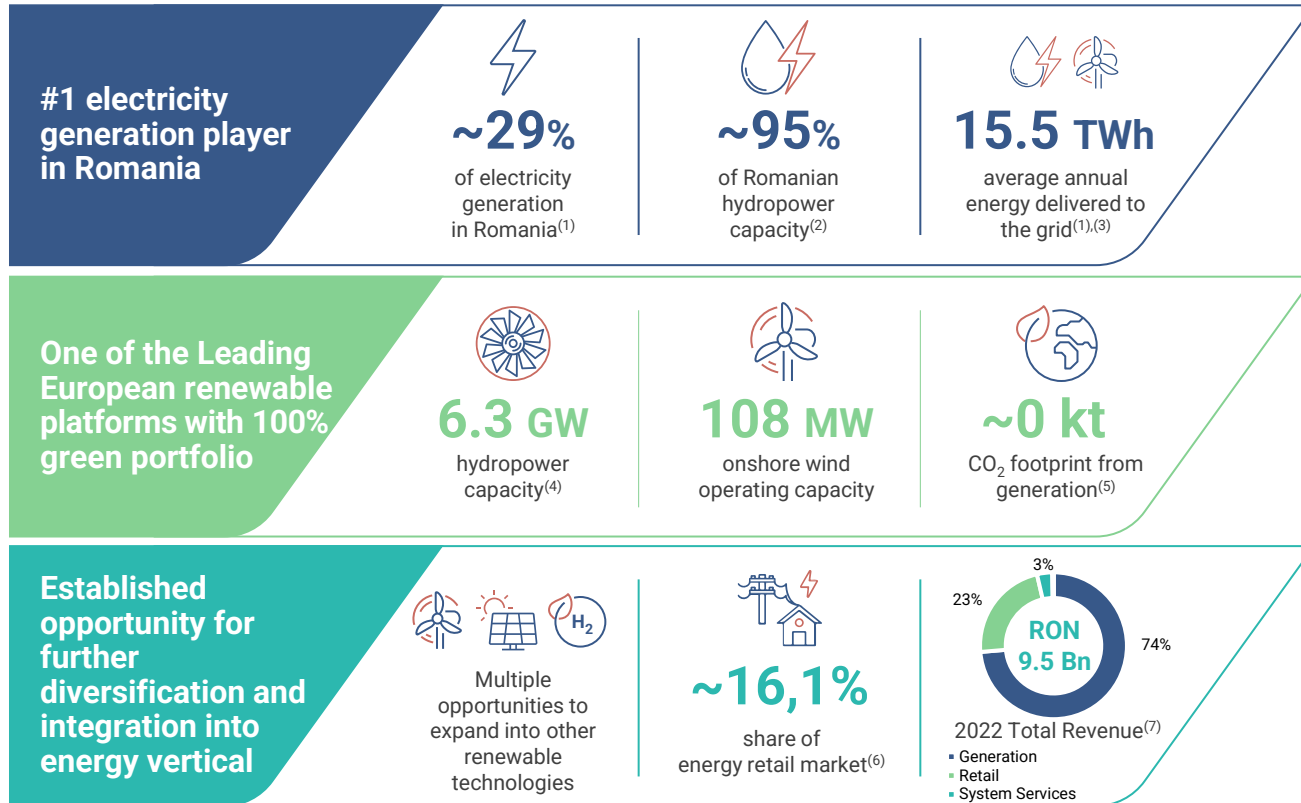
Marian Fetita

Head of Finance & Accounting

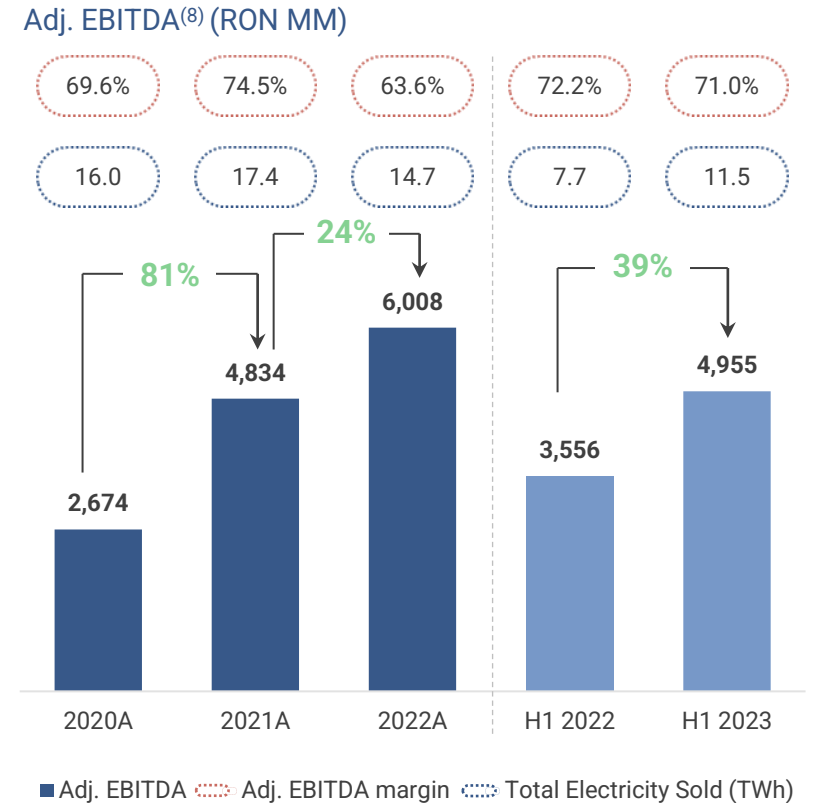
Hidroelectrica at a Glance



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



Strong Financial and Operational Performance



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

Notes:

1. Average market shares between 2018 and 2022, based on total energy delivered to the grid as per Autoritatea Națională de Reglementare în domeniul Energiei (Romanian Energy Regulatory Authority) annual reports
2. Based on 6.3 GW of hydropower capacity for Hidroelectrica as per Company information, and Wood Mackenzie estimates for hydropower capacity in Romania as of 2022
3. Calculated as the sum between 15.2 TWh (average net energy delivered from hydro sources between 2018 and 2022) and 0.3 TWh (energy delivered to the grid by the wind farm in 2022)

4. Capacity split: 6.1 GW from HPPs with more than 10MW capacity, 103 MW from small HPPs with more than 4 MW, but less than 10MW, 52MW from small and micro HPPs with less than 4 MW. Excludes 92 MW capacity from pumping stations
5. Excluding car fleet footprint
6. Based on market shares of competitive market suppliers as per ANRE 2023 April report
7. Includes maintenance services and sales of green certificates. Windfall tax in the amount of RON 531MM is not included in 2022A Revenue. Financials based on unaudited IFRS consolidated figures
8. 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

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 1H 2023 Key Financials Update



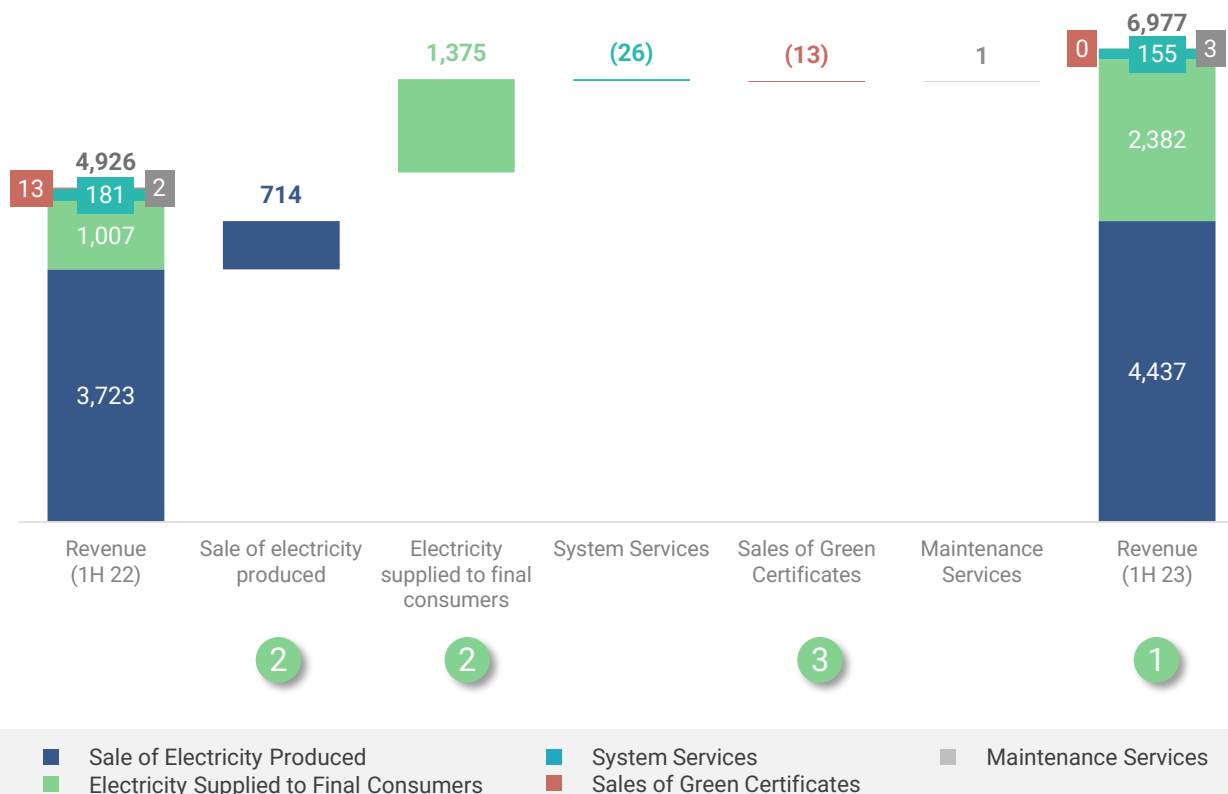
Strong Revenue Increase Underpinned by Steep Recovery in Production Figures



Revenue

Highlights

Revenue (RON MM)



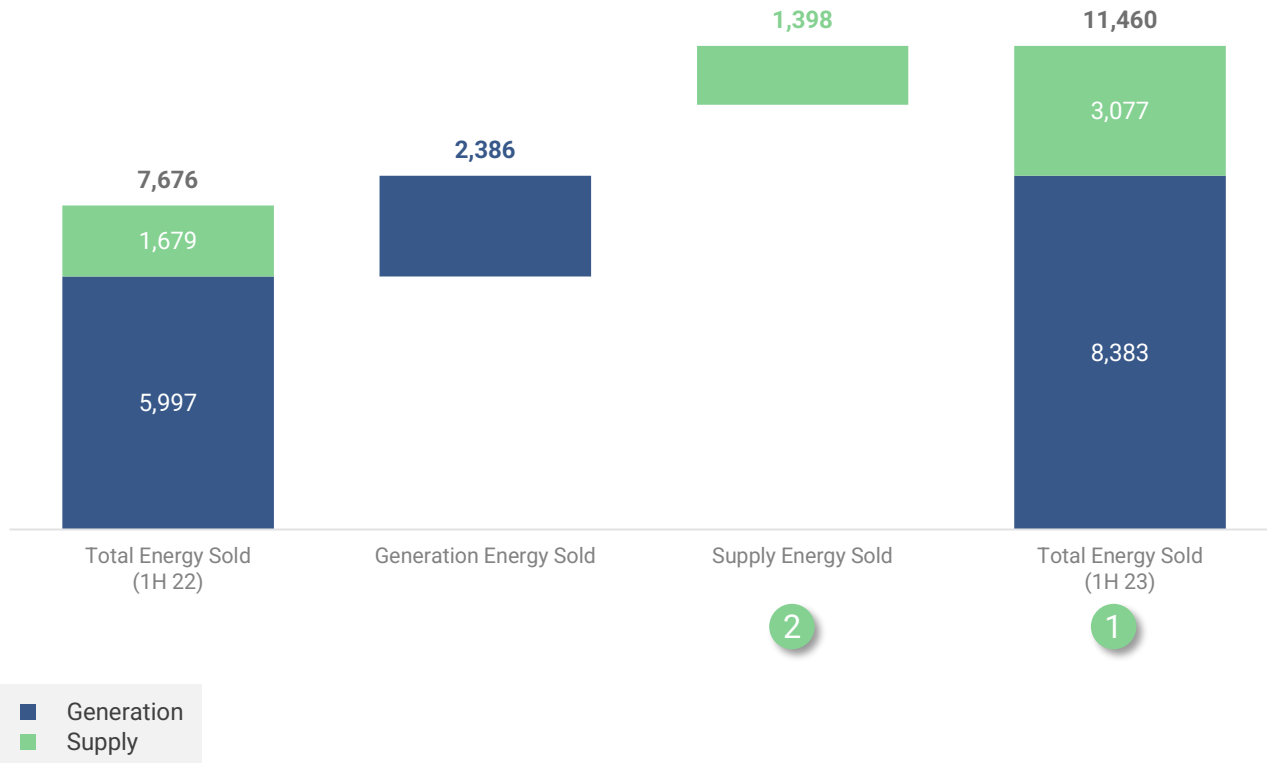
- 1 Strong revenue growth mainly driven by higher total energy sold (+c.49%) in 1H 2023 (11,460 GWh) compared to 1H 2022 (7,676 GWh) for both generation and supply segments, underpinned by improved hydrology
- 2 Revenues from sale of electricity produced and electricity supplied to final customers increased by +c.19% and +c.136% respectively, from 1H 2022 to 1H 2023
- 3 Sales of green certificates generated from Crucea are currently only sold internally to the supply business and applied to customers as a pass-through cost, and no longer sold externally

Increasing Volumes Sold Reflect Hidroelectrica's Robust Growth in Both Generation and Supply Segments



Total Energy Sold

Total Energy Sold (GWh)



Highlights

1 Hidroelectrica's total energy produced in 1H 2023 period was 10,625 GWh (+c.45% from 1H 2022) and total energy sold reached 11,460 GWh (+c.49% from 1H 2022)

2 Of the total energy sold, 3,077 GWh were supplied to end users in 1H 2023 compared to 1,679 GWh in 1H 2022

Share of supply energy sold as a percentage of total energy sold has increased from c.22% in 1H 2022 to c.27% in 1H 2023, demonstrating the company's active growth in the supply business

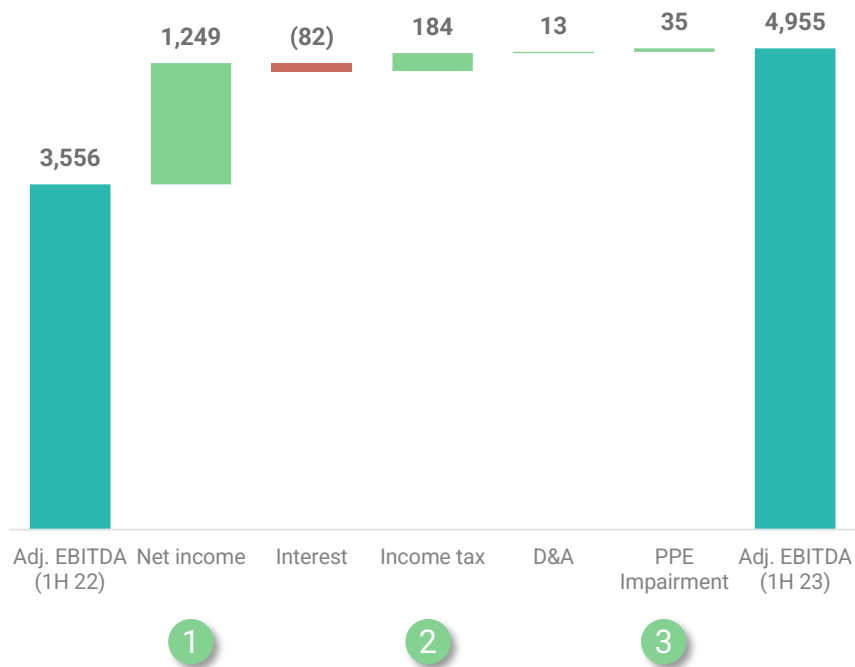
Increase in Adj. EBITDA Driven by Higher Net Income Contribution as a Result of Positive Fundamentals in the Romanian Power Market



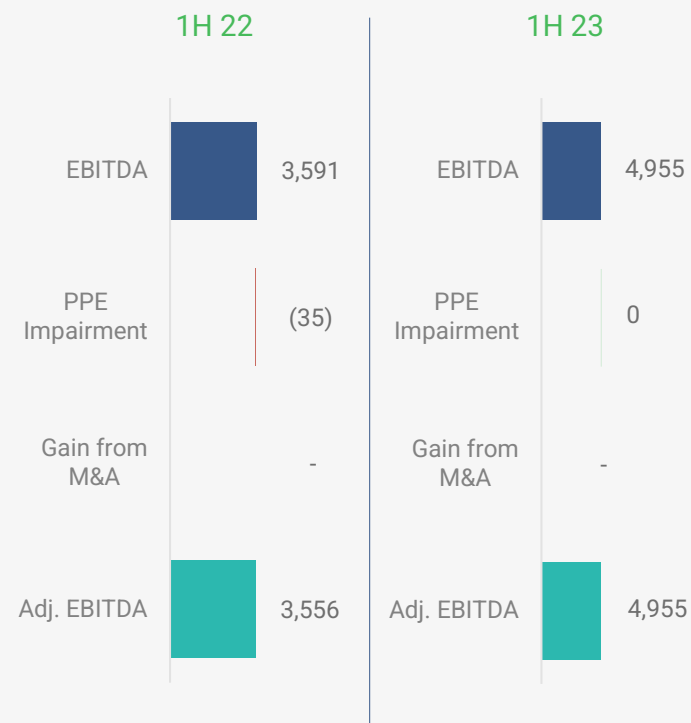
Adjusted EBITDA

Highlights

Adjusted EBITDA (RON MM)



Adjusted EBITDA Breakdown (RON MM)



- 1 Net Income increased by RON1,249m (+c.46%) in 1H 23 compared to 1H 22, due to significant recovery in Revenue to normal levels after a drought in 2022 affecting the generation capacity
- 2 Increase in Income Tax by +c.32% from 1H 22 to 1H 23 as a function of higher revenues due to larger energy volumes sold
- 3 Impairment Loss on PPE have significantly reduced from RON35m in 1H 22 to RON 0.1m in 1H 23

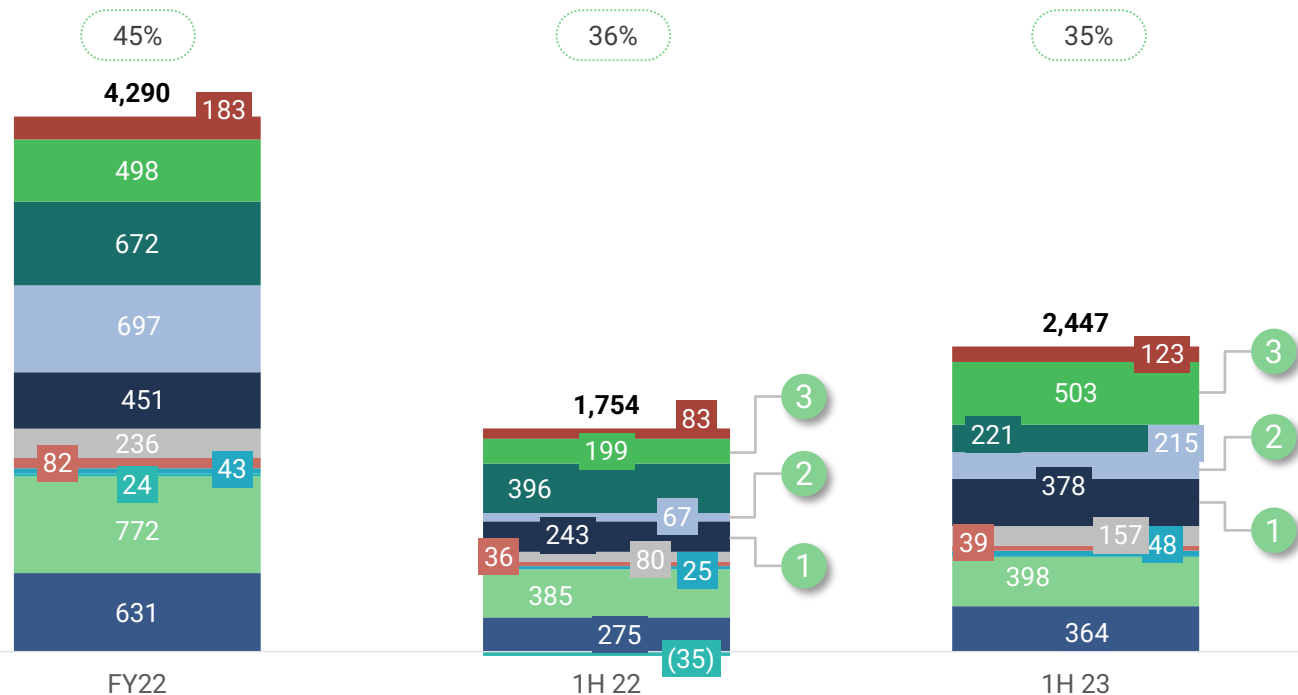
Stable Cost Structure and a Cost-Efficient Organisation



Operating Expenses

Operating Expenses (RON MM)

% of Revenues



- Employee benefits expenses
- Depreciation and amortisation
- Impairment loss on PPE
- Impairment loss on trade receivables
- Repairs, maint, mat and consumables
- Other operating expenses
- Turbinated water
- Electricity purchased
- Tax for electricity producers
- Transport & dist. of electricity
- Green certificate expenses

Highlights

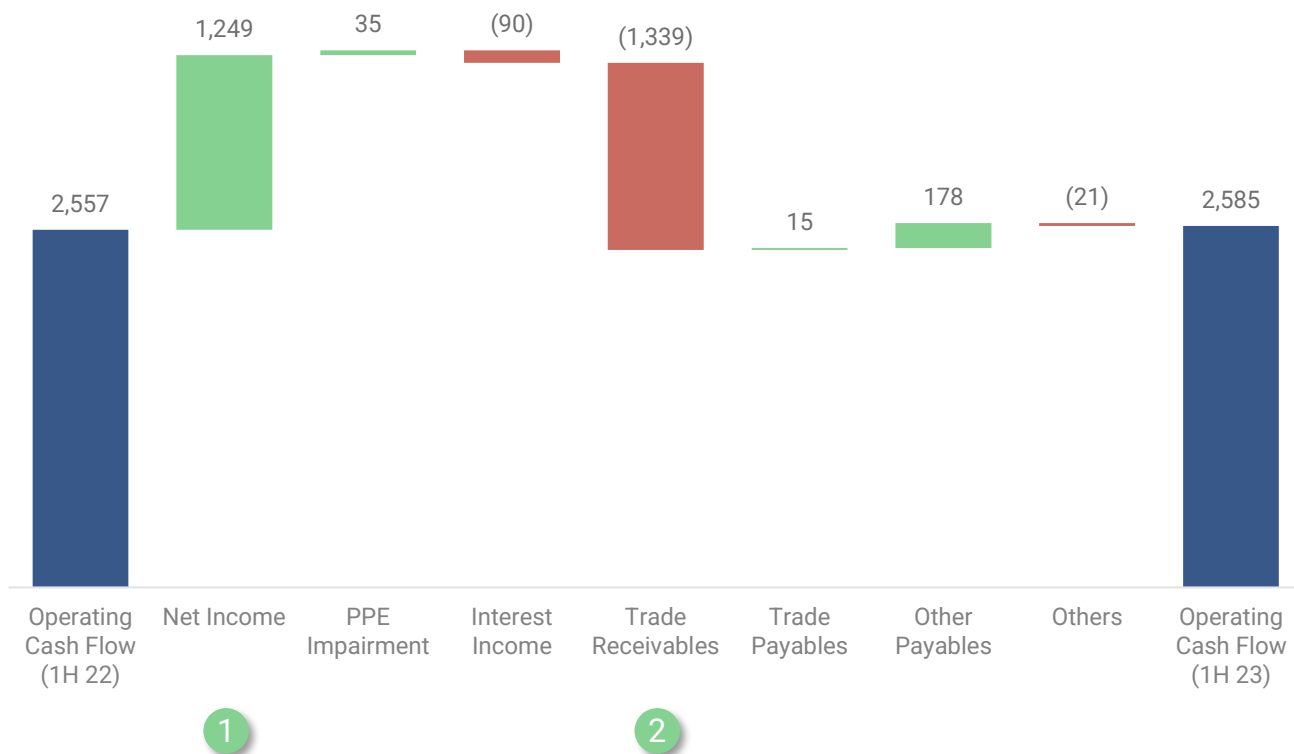
- 1 Increase in turbinated water expenses from 1H 22 to 1H 23 mainly due to the increase in fee per cubic meter of water used, established annually by the National Agency for Water Administration [(1Q 23: RON 1.40 per cubic meter vs 1Q 22: RON 1.23 per cubic meter)]
- 2 Increase in electricity purchases from 1H 22 to 1H 23 mainly driven by purchases for the supply segment
- 3 Transport and distribution of electricity expenses from 1H 22 to 1H 23 increased mainly due to higher volumes related to distribution of electricity supplied (1H 23: RON 503m vs 1Q 22: RON 199m)

Stable and Robust Operating Cash Flows Attributed to Strong Market Position in Both Power Generation and Supply Businesses



Operating Cash Flow

Operating Cash Flow (RON MM)



Highlights

- 1 Net Income increased +c.46% from 1H 22 to 1H 23, underpinned by improved hydrology combined with stable power prices
- 2 Increase in Trade Receivables mainly related to supply segment implementation of new billing system, significant increase in number of retail clients and frequent changes in regulation resulted in delays on the billing process



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Appendix



Revenue Build-up



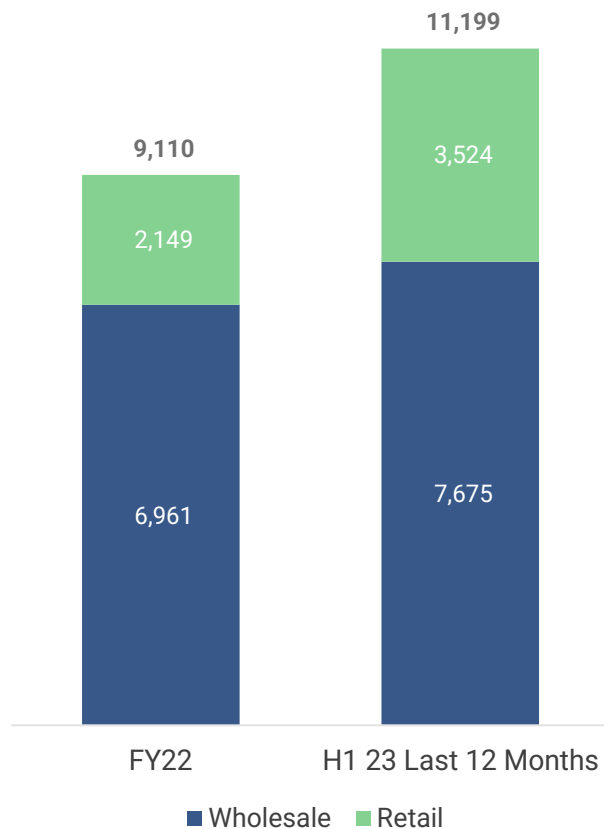
		H1 23	H1 22
Total Production	GWh	10,625	7,347
External Acquisitions	GWh	835	329
Generation Energy Sold	GWh	11,460	7,676
Balancing	GWh	(151)	(259)
Sales to Supply	GWh	(3,077)	(1,679)
Generation Energy Sold	GWh	8,231	5,739
OPCOM Price	RON / MWh	506	540
OPCOM Revenues	RONm	4,166	3,099
Other Ancillary Revenues	RONm	155	181
Balancing Volumes	GWh	151	259
Balancing Price	RON / MWh	1,336	2,376
Balancing Revenues	RONm	202	616
Ancillary + Balancing Revenues	RONm	356	797
Supply Volumes	GWh	3,077	1,679
Supply Prices (ex pass through)	RON / MWh	548	449
Supply Revenues	RONm	1,688	754
Pass Through Revenues	RONm	694	253
Pass Through %	%	41%	34%
Total Supply Revenue	RONm	2,383	1,007
Other revenues	RONm	72	23
Revenue	RONm	6,977	4,926

Notes: All financial data based on preliminary unaudited financials

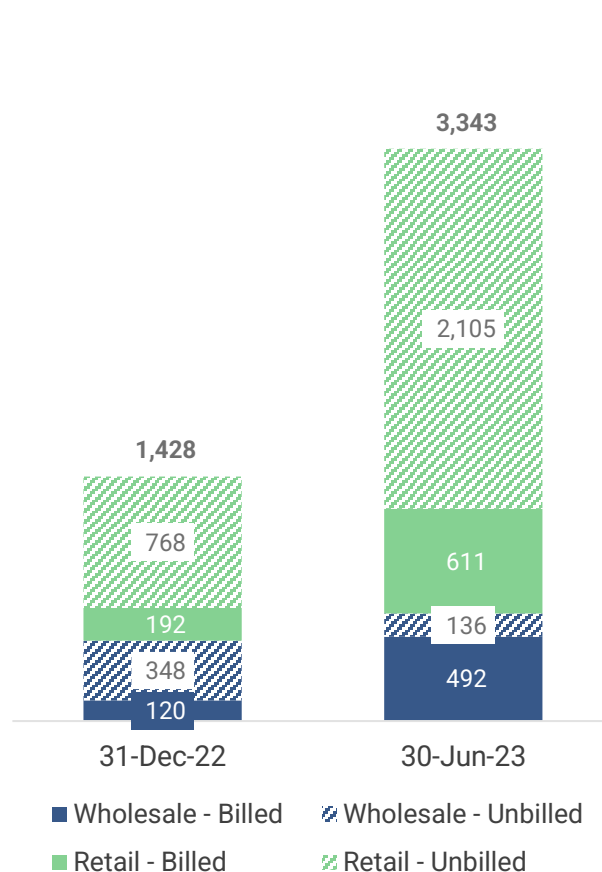
Trading Receivables



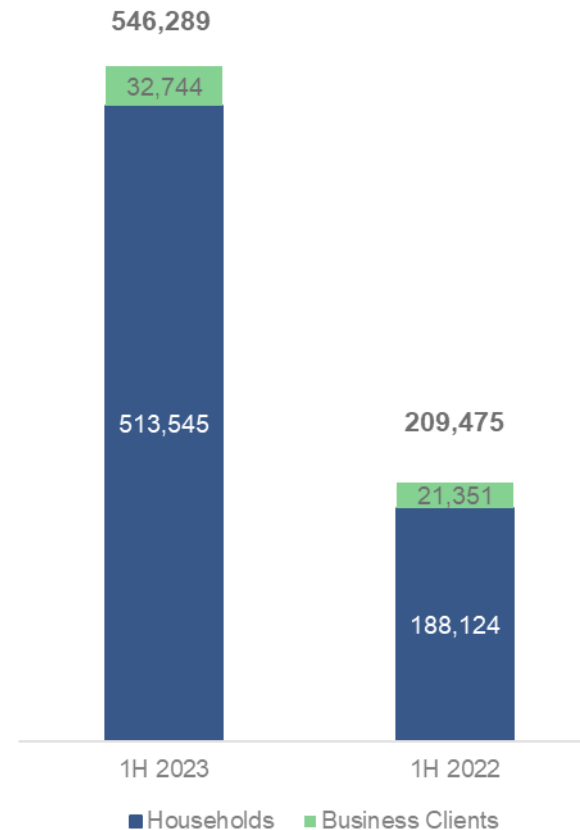
Wholesale and Retail Revenues
(RON MM)



Wholesale and Retail Receivables
(RON MM)



Supply Clients (consumptions sites)
(Numbers)





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End Presentation

Q&A session

