



HIDROELECTRICA

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

9M 2023 Key Financials Update

15 November 2023



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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



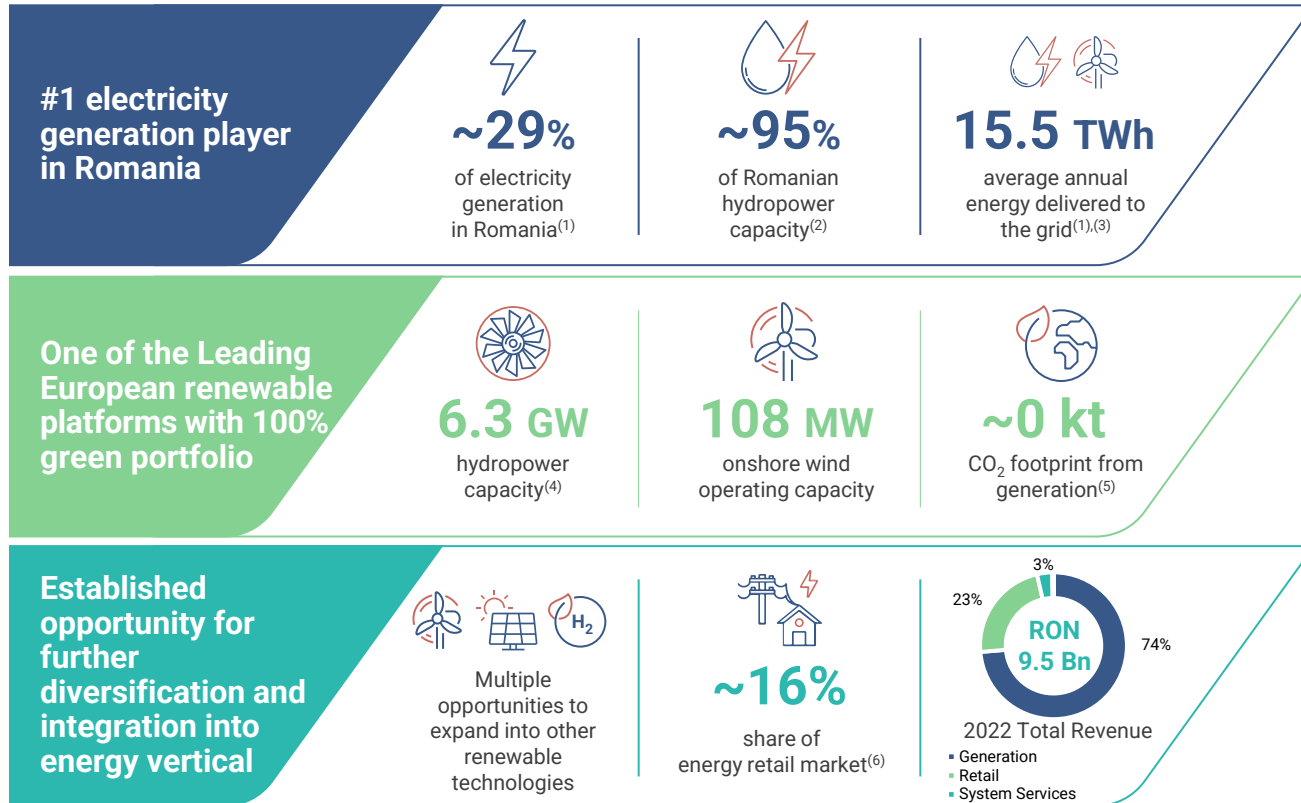
Ianăș Rădoi

COO / Member of the Management Board

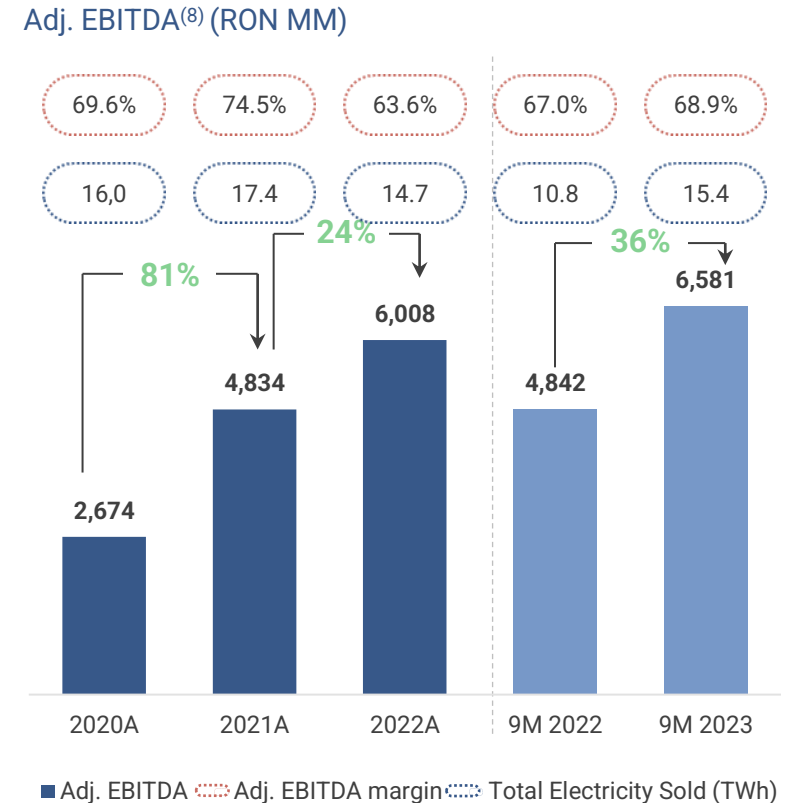
Hidroelectrica at a Glance



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



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 July report
7. 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 9M 2023 Key Financials Update



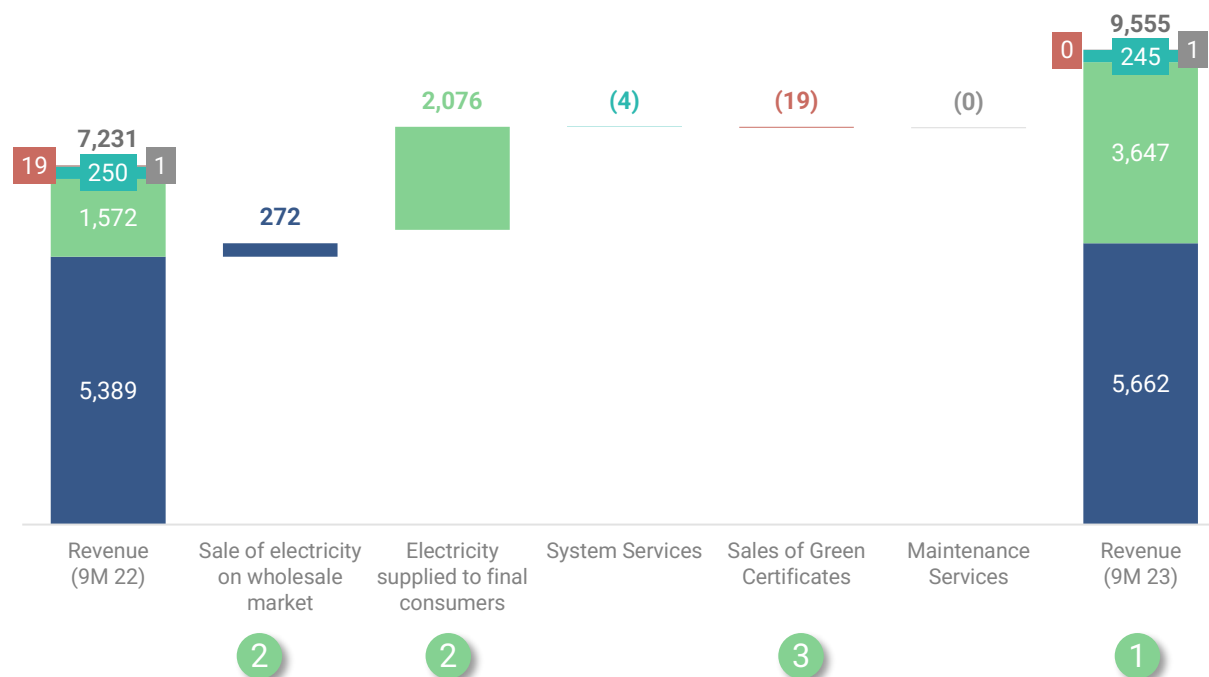
Strong Revenue Increase Underpinned by Steep Recovery in Production Figures



Revenue

Highlights

Revenue (RON MM)



- 1 Strong revenue growth mainly driven by higher total energy sold (+c.42%) in 9M 2023 (15,416 GWh) compared to 9M 2022 (10,823 GWh) for both generation and supply segments, underpinned by improved hydrology
- 2 Revenues from sale of electricity on wholesale market and electricity supplied to final customers increased by +c.5% and +c.132% respectively, from 9M 2022 to 9M 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

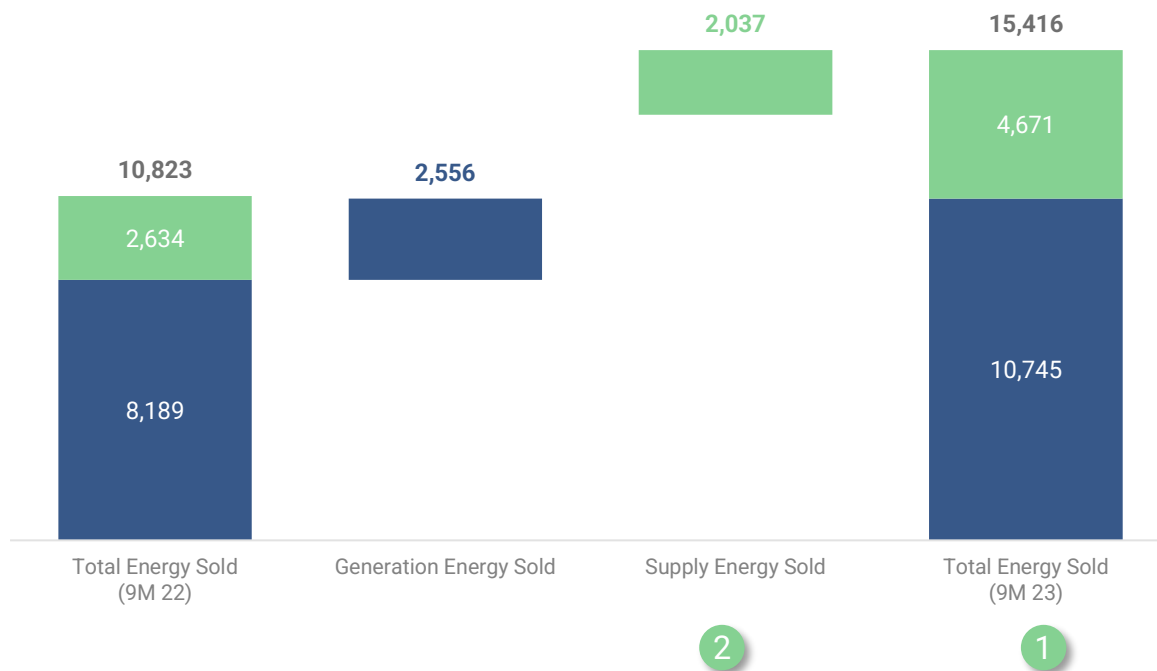
■ Sale of Electricity on wholesale market
 ■ System Services
 ■ Maintenance Services
■ Electricity Supplied to Final Consumers
 ■ Sales of Green Certificates

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



Total Energy Sold

Total Energy Sold (GWh)



■ Generation
■ Supply

Highlights

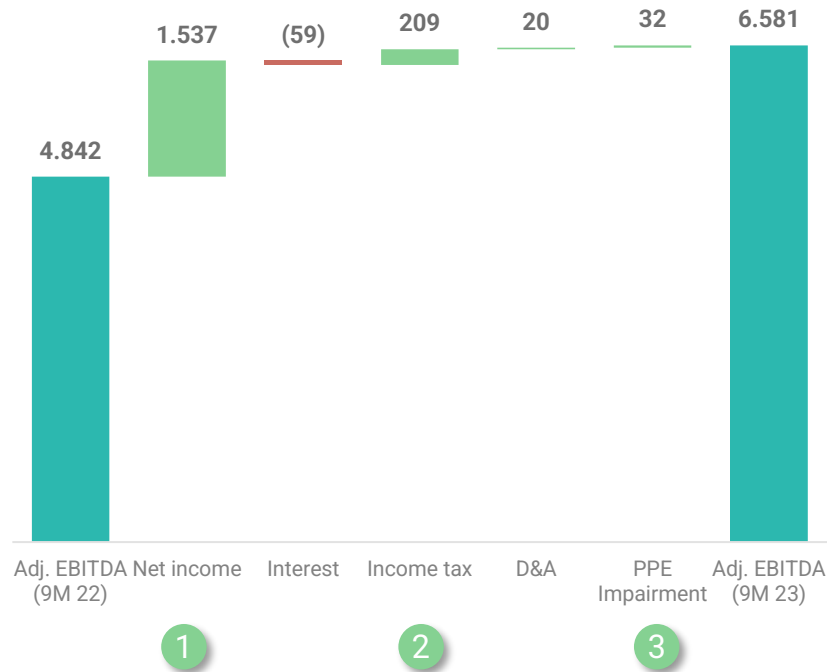
- 1 Hidroelectrica's total energy produced in 9M 2023 period was 14,101 GWh (+c.38% from 9M 2022) and total energy sold reached 15,416 GWh (+c.42% from 9M 2022)
 - 2 Of the total energy sold, 4,671 GWh were supplied to end users in 9M 2023 compared to 2,634 GWh in 9M 2022
- Share of supply energy sold as a percentage of total energy sold has increased from c.24% in 9M 2022 to c.30% in 9M 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

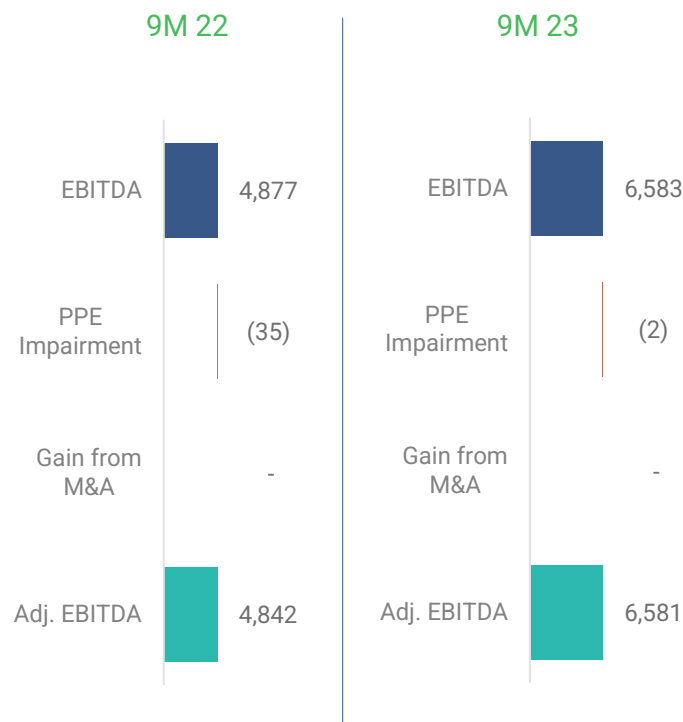


Adjusted EBITDA

Adjusted EBITDA (RON MM)



Adjusted EBITDA Breakdown (RON MM)



Highlights

- 1 Net Income increased by RON1,537m (+c.42%) in 9M 23 compared to 9M 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.27% from 9M 22 to 9M 23 as a function of higher revenues due to larger energy volumes sold
- 3 Reversal of impairment loss on PPE has significantly decreased from RON35m in 9M 22 to RON 2m in 9M 23

Revenue Build-up

		9M 23	9M 22	Variation
Total Production	GWh	14.101	10.253	38%
External Acquisitions	GWh	1.316	570	
Generation Energy Sold	GWh	15.416	10.823	42%
Balancing	GWh	(242)	(442)	
Sales to Supply	GWh	(4.671)	(2.634)	-77%
Generation Energy Sold	GWh	10.503	7.748	36%
OPCOM Price	RON / MWh	497	540	
OPCOM Revenues	RONm	5.223	4.181	25%
Other Ancillary Revenues	RONm	245	250	-2%
Balancing Volumes	GWh	242	442	
Balancing Price	RON / MWh	1.393	2.686	
Balancing Revenues	RONm	337	1.187	
Ancillary + Balancing Revenues	RONm	583	1.436	-59%
Supply Volumes	GWh	4.671	2.634	77%
Supply Prices (ex pass through)	RON / MWh	546	435	
Supply Revenues	RONm	2.551	1.146	123%
Pass Through Revenues	RONm	1.094	426	
Pass Through %	%	43%	37%	
Total Supply Revenue	RONm	3.645	1.572	132%
Other revenues	RONm	103	42	
Revenue	RONm	9.555	7.231	32%

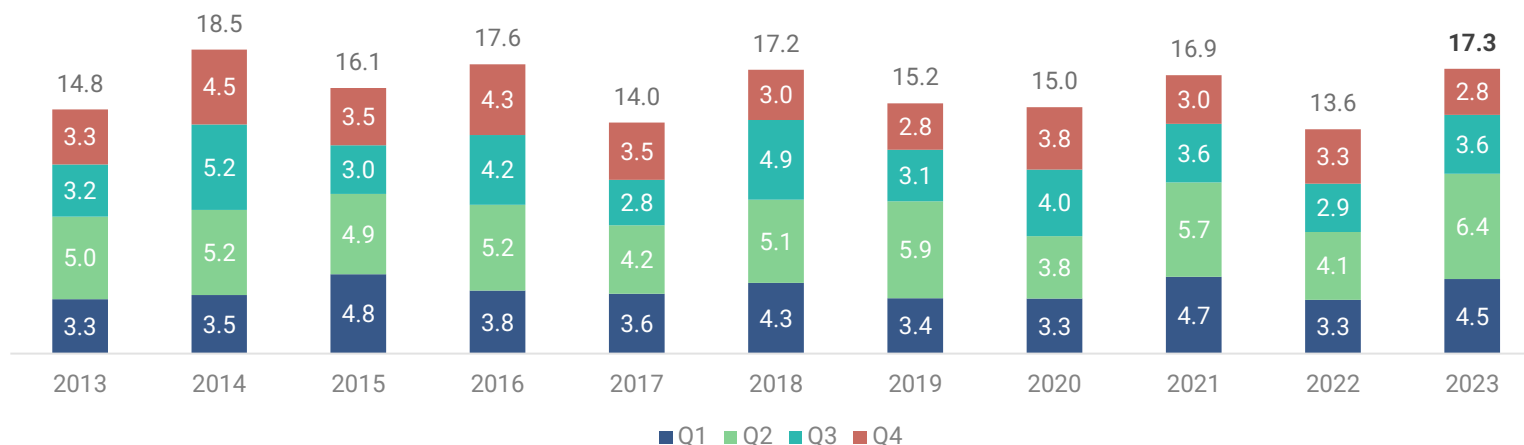
Electricity Production Forecast



Electricity Production for the last 10 years. Forecast for the last three months of 2023

(TWh)

Electricity Production (TWh)



Highlights

Related to the current-year forecast for Hidroelectrica's total electricity production, taking into account the existing hydrological conditions and the estimates until the year's end, the update indicates a change from 16.3 TWh to 17.3 TWh.

Stable Cost Structure and a Cost-Efficient Organisation



Operating Expenses

Operating Expenses (RON MM)

% of Revenues

	45%	41%	38%		
	FY 22	9M 22	9M 23	Variation 9M 23 vs 9M 22	
<i>Employee benefits expenses</i>	631	429	515	20%	
<i>Depreciation and amortization</i>	772	578	599	4%	
<i>Impairment loss on property, plant and equipment</i>	24	(35)	(2)	-93%	
<i>Impairment loss on trade receivables</i>	43	22	61	171%	
<i>Repair, maintenance, materials and consumables</i>	82	55	55	0%	
<i>Other operating expenses</i>	236	125	259	107%	
<i>Turbinated water</i>	1	451	340	506	49%
<i>Electricity purchased</i>	2	697	482	357	-26%
<i>Tax for electricity producers</i>	672	515	221	-57%	
<i>Transport and distribution of electricity</i>	3	498	329	829	152%
<i>Green certificates expenses</i>	183	132	210	59%	
	4.290	2.974	3.609	21%	

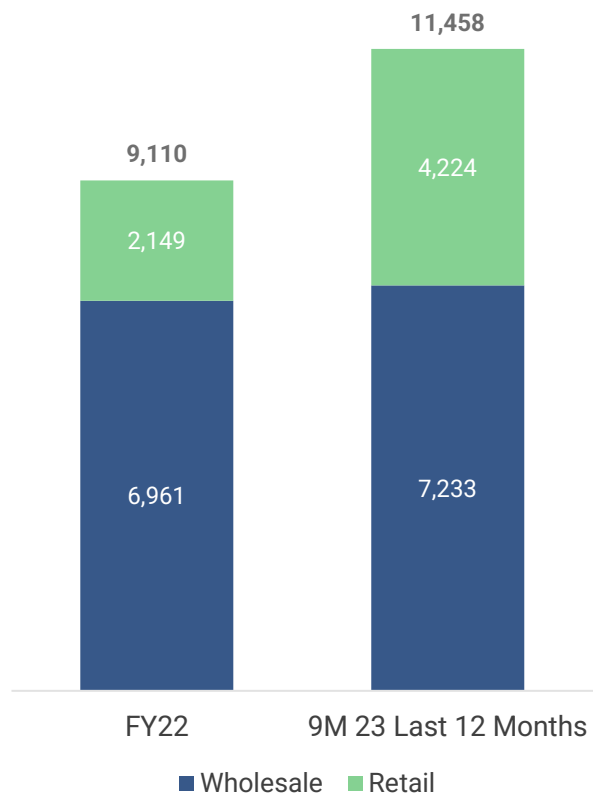
Highlights

- 1 Increase turbinated water expenses from 9M 22 to 9M 23 mainly due to the increase of the volumes of the energy produced and in fee of water used, established annually by the National Agency for Water Administration [(H123: RON 1.40 per thousand cubic meters , starting 12 June 2023: 37 RON/MWh produced vs 9M 22: RON 1.23 per thousand cubic meters)]
- 2 Decrease in electricity purchases from 9M 22 to 9M 23 mainly driven by decrease in average acquisition price in 2023.
- 3 Transport and distribution of electricity expenses from 9M 22 to 9M 23 increased mainly due to higher volumes related to distribution of electricity supplied (9M 23: RON 829m vs 9M 22: RON 329m)

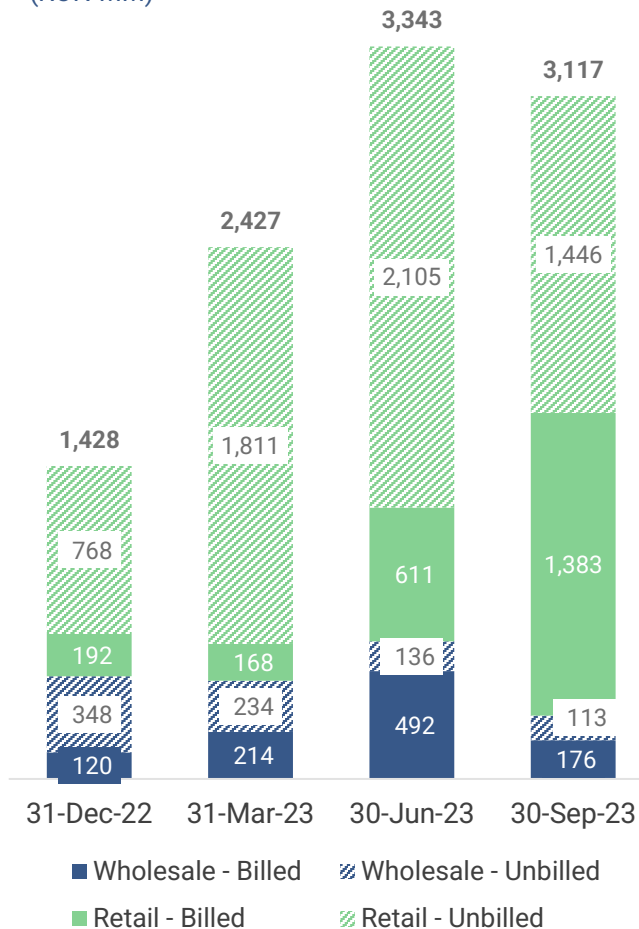
Trading Receivables



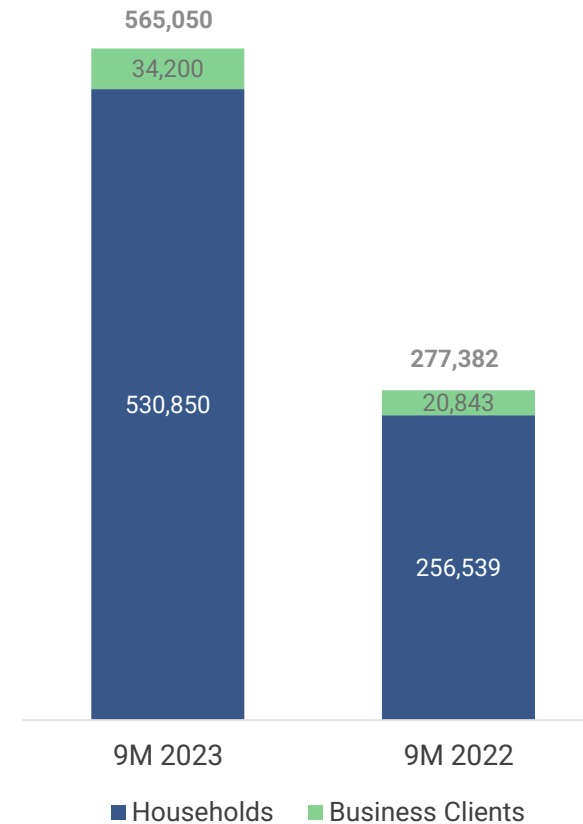
Wholesale and Retail Revenues
(RON MM)



Wholesale and Retail Receivables
(RON MM)



Supply Clients (consumptions sites)
(Numbers)

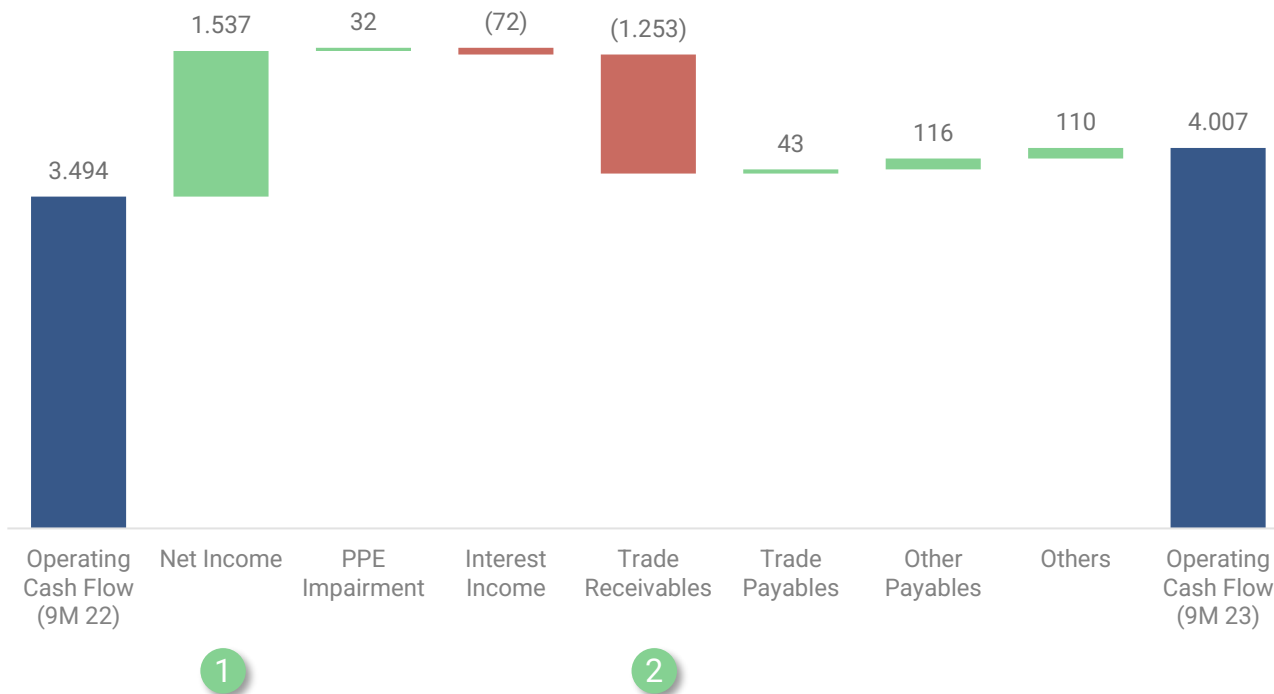


Stable and Robust Operating Cash Flows Attributed to Strong Market Position in Both Power Generation and Supply Businesses



Operating Cash Flow

Operating Cash Flow (RON MM)



Highlights

- 1 Net Income increased +c.42% from 9M 22 to 9M 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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End Presentation

Q&A session

