



HIDROELECTRICA

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

Q3 2024 Key Financials Update



Disclaimer



THIS DOCUMENT IS NOT AN OFFER OR AN INVITATION TO BUY OR SELL SECURITIES.

IMPORTANT: Please read the following before continuing. This document has been prepared by S.P.E.E.H. HIDROELECTRICA S.A. (the "Company") and relates to the Company and its subsidiary (together, the "Group") and the following applies to the information in this document (the "Information").

The Information does not purport to contain full, accurate or complete information required to evaluate the Company or the Group and/or its financial position. The Information does not constitute a recommendation regarding any loans or securities of the Company or any other member of the Group. By accepting to access the Information, you (i) agree to be bound by the foregoing limitations; and (ii) have read, understood and agree to comply with the contents of this disclaimer.

No representation, warranty or undertaking, express or implied, is made by the Company, or any of the respective affiliates of the Company, the Company's shareholders (the "Shareholders") or any of their respective directors, officers, personally liable partners, employees, agents and consultants or advisers ("Associates"), or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the Information or the opinions contained therein or any other statement made or purported to be made in connection with the Company or the Group, for any purpose whatsoever, including but not limited to any investment considerations. No responsibility, obligation or liability whatsoever, whether arising in tort, contract or otherwise, is or will be accepted by the Company, the Shareholders, or any of their respective Associates or any other person for any loss, cost or damage howsoever arising from any use of the Information, or for information or opinions or for any errors, omissions or misstatements contained therein or otherwise arising in connection therewith. This document is not intended to provide, and should not be relied upon for accounting, legal or tax advice nor does it constitute a recommendation regarding any transaction.

To the extent available, the industry, market and competitive position data contained in the Information come from official or third-party sources and have been accurately reproduced. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, none of the Company, the Shareholders, or any of their respective Associates has independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in the Information come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the markets in which the Company and the other members of the Group operate. While the Company believes that such research and estimates are reasonable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to material change and correction without notice. Finally, market studies and analyses are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions, are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology may be forward-looking and speculative. Accordingly, reliance should not be placed on any of the industry, market or competitive position data contained in the Information.

The Information is subject to updating, revision, amendment, verification, correction, completion and change without notice and such information may change materially. In providing access to the Information, none of the Company, the Shareholders, or any of their respective Associates or any other person undertakes any obligation to provide the attendee or recipient with access to any additional information or to update the Information or to correct any inaccuracies in any such Information, including any financial data or forward-looking statements. The Information should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date thereof.

This Information may include forward-looking statements, beliefs or opinions, including statements with respect to the Group's business, financial condition and results of operation. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Information, including, without limitation, those regarding the future financial position and results of the Group's operations, its strategy, plans, objectives, goals and targets, future developments in the markets in which the Group participates or is seeking to participate or anticipated regulatory changes in the markets in which the Group operates or intends to operate. These forward-looking statements may be identified by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should" or "will" or the negative of such terms or other comparable terminology; or by forward-looking nature of discussions of strategy, plans or intentions; or by their context. By their nature, forward-looking statements involve inherent known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Group to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. As a result, you are cautioned that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that the Group's actual results of operations, including its financial condition and liquidity and the development of the industry in which it operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Information. In addition, even if the Group's results of operations, including its financial condition and liquidity and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this Information, those results or developments may not be indicative of results or developments in subsequent periods.

Financial information presented herein is extracted from the consolidated financial statements of the Group for the relevant period, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. This Information includes certain financial data that are "non-IFRS financial measures". These non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Although the Company believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition, of the business, you are cautioned not to place undue reliance on any non-IFRS financial measures included in this Information.

This document (including the Information) is not, and should not be construed as, a prospectus or offering document, and has not been reviewed or approved by any regulatory or supervisory authority. The Information does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation or invitation of any offer to subscribe for or purchase any loans or securities of the Company or any other member of the Group or any other entity in any jurisdiction nor does it purport to give legal, tax or investment advice, and nothing contained therein shall form the basis of or be relied on in connection with any contract or commitment whatsoever or be used in making any investment decision. This document is not a marketing material or an advertising in the meaning of EU Regulation 2017/1129.

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

Hidroelectrica Management Board



Karoly Borbely
*Chief Executive Officer
President of the Executive Board*

Professional Experience

>15 years



Marian Fetita
Chief Financial Officer

Professional Experience

>20 years



Bogdan-Nicolae Badea
Chief Investment Officer

Professional Experience

>20 years



Ianas Radoi
Chief Operating Officer

Professional Experience

>20 years



Radu Ioan Constantin
Chief Administrative Officer

Professional Experience

>15 years




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

#1 electricity generation player in Romania



~28.3%
of electricity generation in Romania⁽¹⁾


~95%
of Romanian hydropower capacity


11 TWh
energy delivered to the grid

One of the Leading European renewable platforms with 100% green portfolio



6.3 GW
hydropower capacity

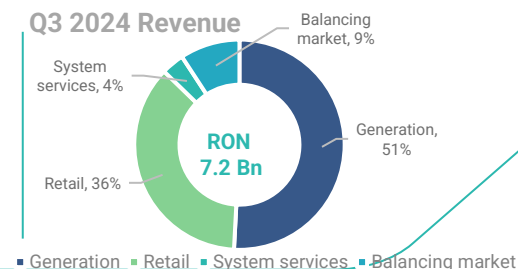

108 MW
onshore wind operating capacity


~0 kt
CO₂ footprint from generation

Established opportunity for further diversification and integration into energy vertical


Multiple opportunities to expand into other renewable technologies


~13%
share of energy retail market⁽²⁾



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 July report



HIDROELECTRICA

Investment Program



Major Hydro Projects

Major Development On-going Projects

	Livezeni-Bumbesti	Surdac Siriu	Caineni	Pascani	Rastolita (Phase 1)
	<i>Portile de Fier branch</i>	<i>Curtea de Arges branch</i>	<i>SH Sebes branch</i>	<i>Bistrita branch</i>	<i>Cluj branch</i>
Installed Power (MW)	65,14 MW	55 MW	26,50 MW	9,40 MW	35,30 MW
Average Annual Energy Output (GWh)	259 GWh	152 GWh	73.6 GWh	25.3 GWh	46 GWh
Completed (%)	89 %	67 %	24 %	78 %	84 %
Estimated Year for Commissioning	2026	2027	2028	2028	2025
Constraints	Environment permits & land expropriation	Environment permits	Environment permits & land expropriation	Environment permits	Environment permits clearing the lake's basin
Estimated cost to commissioning (RON million)	RON 419 M	RON 414 M	RON 332 M	RON 426 M	RON 80 M
Approval document (AGA Decision)	AGA 15/2022	AGA 15/2022	AGA 15/2022	AGA 15/2022	AGA 12/2019

Hydropower projects from the Management Plan could be commissioned within the estimated terms only under the condition of fulfilling the said constraints.

Major Refurbishment Projects

Major Refurbishment Projects	Stejaru plant	Bradisor plant	Vidraru plant	Raul Mare-Retezat plant	Mariselu plant
	<i>Bistrita branch</i>	<i>Ramnicu Valcea branch</i>	<i>Curtea de Arges branch</i>	<i>Hateg branch</i>	<i>Cluj branch</i>
Current operating capacity	210 MW	115 MW	220 MW	210 MW (restricted)	221 MW
Add. capacity potential	12 MW	0 MW	Extra 3.8 MW per hydro unit x 4 / total capacity capped at 220 MW	+125MW up to nominal 335MW	4.51 MW
Key upgrades	Improve the operational efficiency and lower the maintenance capital expenditure requirements	Upgrade hydro-aggregates and auxiliary electrical and mechanical installations	Improve the operational efficiency and lower the maintenance capital expenditure requirements	Improvement from output deficiencies and natural wear and tear	Improvement from output deficiencies and natural wear and tear
Operating cycle extension	30 – 40 years	30 – 40 years	30 – 40 years	30 – 40 years	30 – 40 years
Completion Status	Preparing the tender procedure for remaining works	Tender procedure on-going	Refurbishment Contract signed	Tender procedure on-going	Preparing the tender procedure for contracting works
Estimated cost to commissioning (RON million)	RON 734 M	RON 660 M	RON 1,217 M	RON 771 M	RON 1,043 M
Expected Commissioning	2029	2029	2031	2031	2034

Refurbishment projects will be delivered during normal course of operations which will result in a negligible impact on Hidroelectrica's production output

Major Modernisation Projects

Major Projects included in Business Plan	Remeti plant	Vaduri plant	Arcesti plant
	Cluj branch	Bistrita branch	Ramnicu Valcea branch
Current operating capacity	100 MW	44 MW	38 MW
Add. capacity potential	14 MW by eliminating functional restrictions	--	--
Key upgrades	Increasing efficiency, decreasing maintenance costs	Increasing efficiency, decreasing maintenance costs	Increasing efficiency, decreasing maintenance costs
Operating cycle extension	25-30 years	25-30 years	25-30 years
Completion Status	Works in progress (Hidroserv/UCMH)	Works in progress (Hidroserv/UCMH)	Works in progress (Hidroserv/UCMH)
Estimated cost to commissioning (RON million)	RON 159 M	RON 87 M	RON 90 M
Expected Commissioning	2027	2027	2026

Hidroelectrica signed in the second quarter of 2024, with the consortium formed by Hidroserv and UCMH, contracts for the modernization of the Vaduri, Remeti and Arcesti HPPs. The projects are part of an extensive operation plan to maintain the highest technological standards within Hidroelectrica assets.



HIDROELECTRICA

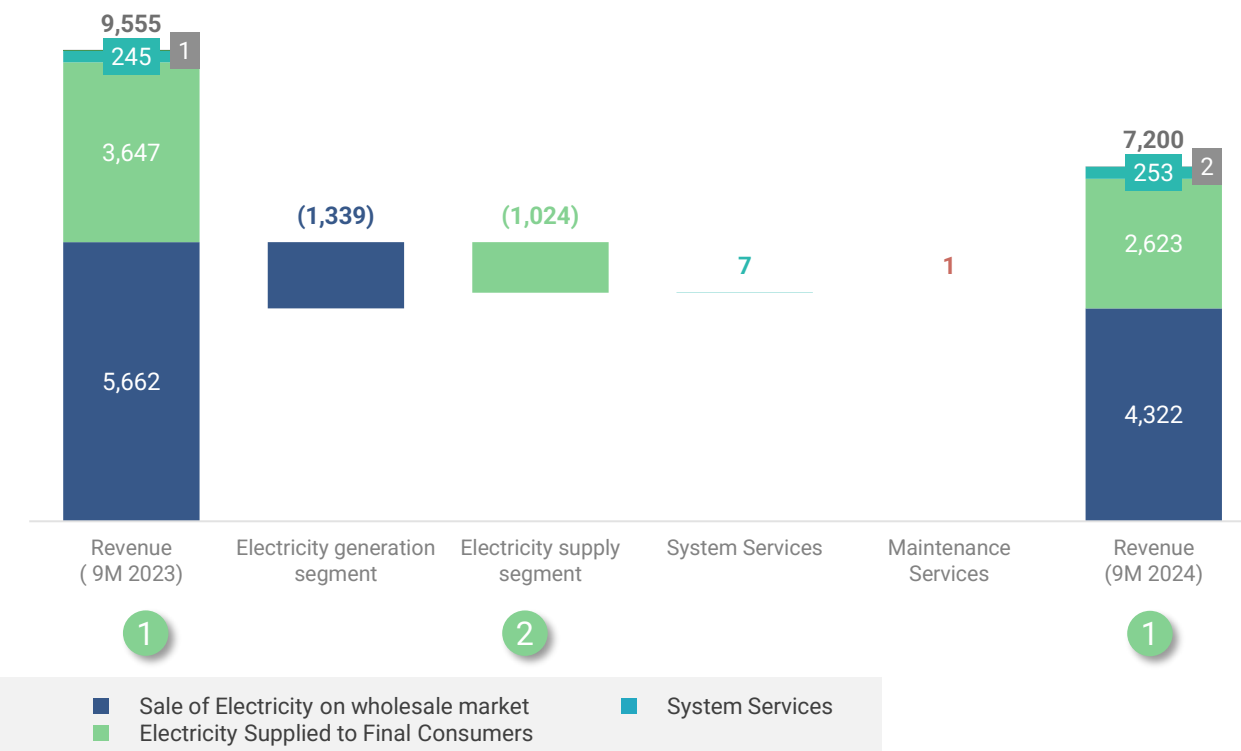
Hidroelectrica Q3 2024 Key Financials Update



Revenue decreased due to evolution of the energy price and volumes

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 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.

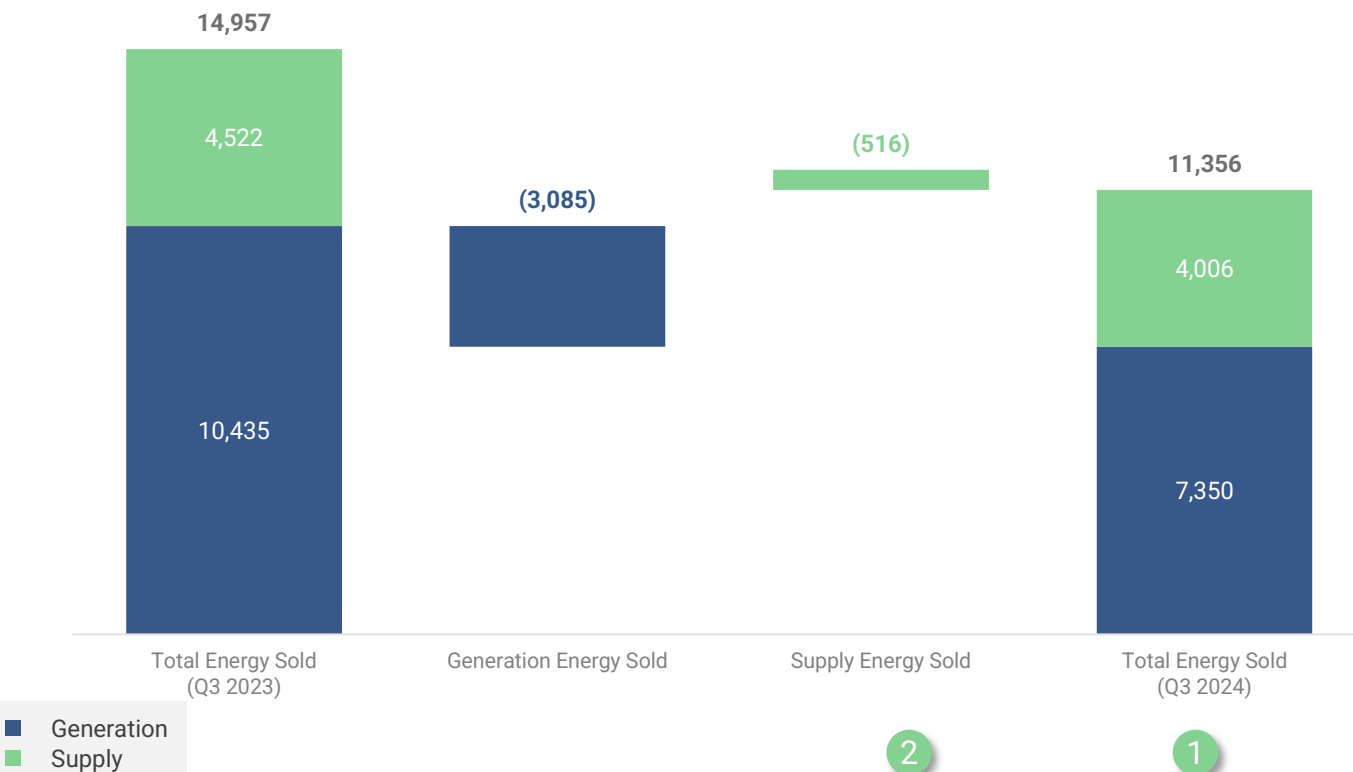
On short term, an increase in competitiveness is anticipated, with each electricity provider aiming to expand their portfolio until the market is fully liberalized.

Also, the evolution of price in positive imbalances have influenced the decrease in revenue from supply segment.

Volumes decreased in Q3 2024 due to hydrological conditions

Energy Sold

Energy Sold (GWh)



Highlights

- 1 Hidroelectrica's total energy produced in Q3 2024 was 11,053 GWh (-24% from Q3 2023) and the energy sold¹ reached 11,356 GWh (-24% from Q3 2023)
- 2 Of the energy sold, 4,006 GWh were supplied to end users in Q3 2024 compared to 4,522 GWh in Q3 2023

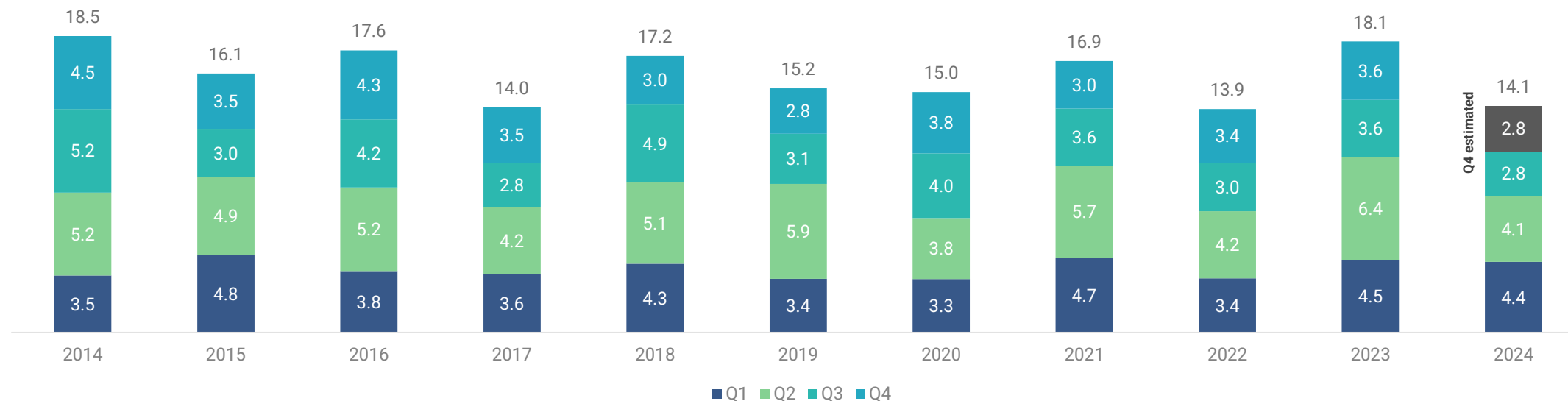
Notes:

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

		9M 2024	9M 2023	Variation (%)
Total Production	GWh	11,053	14,101	-22%
External Acquisitions	GWh	666	1,316	
Total Energy Sold	GWh	11,719	15,417	-24%
Generation Energy Sold	GWh	6,953	10,193	-32%
OPCOM Price	RON / MWh	467	499	
OPCOM Revenues, out of which:	RONm	3,244	5,084	-36%
MACEE volumes	GWh	2,667	4,785	
MACEE price	RON / MWh	448	450	
MACEE Revenues	RONm	1,196	2,153	-44%
Other Ancillary Revenues	RONm	253	245	3%
Balancing Volumes	GWh	398	242	
Balancing Price	RON / MWh	1,667	1,393	
Balancing Revenues	RONm	663	337	97%
Ancillary + Balancing Revenues	RONm	916	582	57%
Supply Volumes	GWh	4,006	4,522	-11%
Supply Prices (ex pass through)	RON / MWh	432	557	
Supply Revenues	RONm	1,730	2,518	-31%
Pass Through Revenues	RONm	1,114	1,094	
Pass Through %	%	64%	43%	
Total Supply Revenue	RONm	2,844	3,612	-21%
Other revenue from contracts with clients, out of which:	RONm	196	277	-29%
Positive imbalances	RONm	(260)	173	
Power reduction services revenue	RONm	392	60	
Redistribution of additional revenues	RONm	62	42	
Revenue	RONm	7,200	9,555	-25%

Notes:

1. The quantity of positive imbalances recorded in the 9-month period ended 30 September 2024 is 363 GWh (9-month period ended 30 September 2023: 459 GWh)

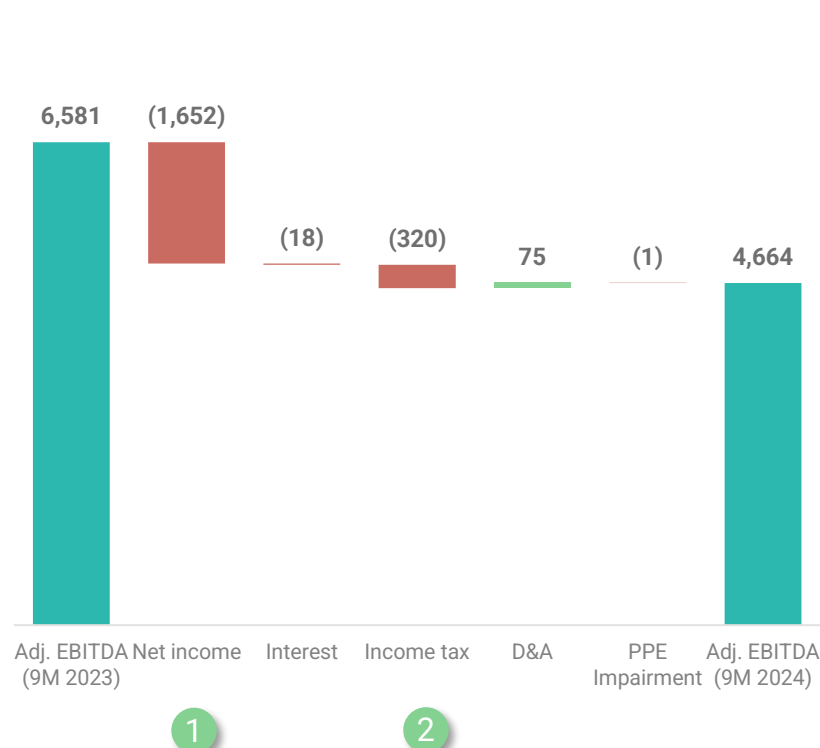
Notes: All financial data based on the unaudited Condensed Consolidated Interim Financial Statements as at 30 September 2024

Adjusted EBITDA

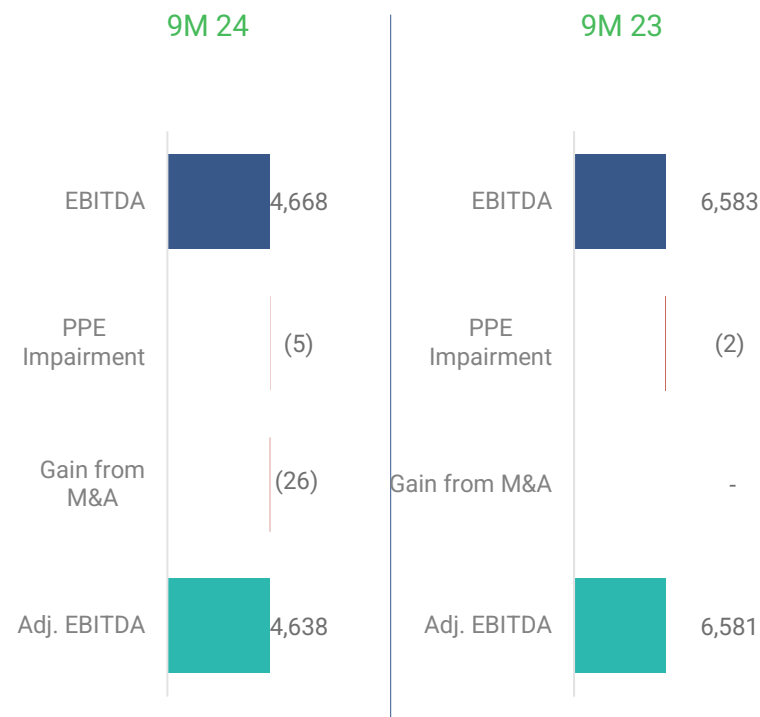
Adjusted EBITDA

Highlights

Adjusted EBITDA (RON M)



Adjusted EBITDA Breakdown (RON M)



- 1 Net Income decreased by RON 1,652 m (-32%) in Q3 2024 compared to Q3 2023, due to decrease in electricity selling prices and in the quantity of electricity sold
- 2 Decrease in Income Tax by -32% from Q3 2023 to Q3 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

38%

47%

	9M 23	9M 24	2024 Vs 2023
Employee benefits expenses ¹	515	594	15%
Depreciation and amortization ²	599	674	13%
Impairment loss on property, plant and equipment	(2)	(5)	100%
Impairment loss on trade receivables	61	56	-8%
Repair, maintenance, materials and consumables	55	37	-32%
Other operating expenses ³	259	177	-31%
Turbinated water ⁴	506	414	-18%
Electricity purchased ⁵	357	107	-70%
Tax for electricity producers	221	219	-1%
Transport and distribution of electricity	829	907	9%
Green certificates expenses	210	197	-6%
	3,609	3,378	-6%

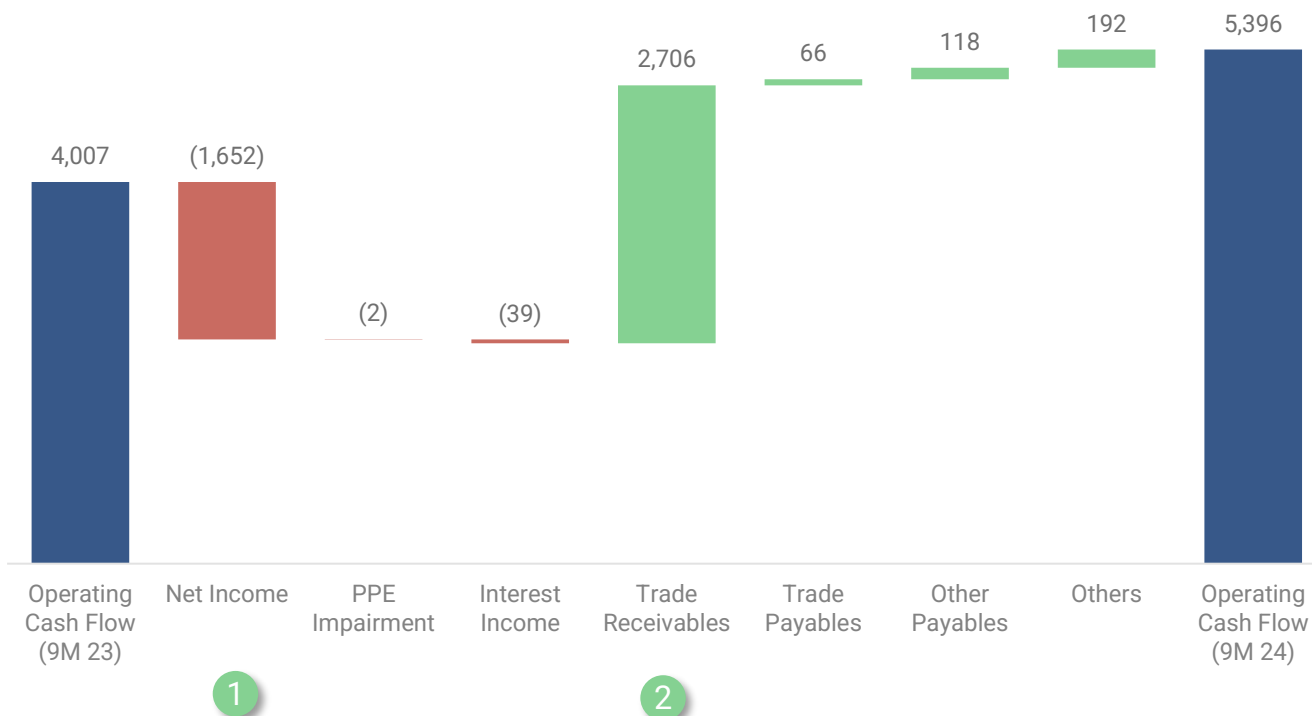
Highlights

- 1 Increase of employee benefits expenses by 15% reflects mainly the salary increases resulting from the negotiations with the employees' union, effective from July 2024 but also due to the increase in the actual number of employees of the Group.
- 2 Increase in depreciation and amortization by 13% from Q3 2023 to Q3 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
- 3 Other operating expenses decreased by 31% to RON 177 million for the nine months ended 30 September 2024, from RON 259 million for the nine months ended 30 September 2023, primarily due to the use or reversal of provisions previously recognized for certain legal disputes.
- 4 Decrease in turbinated water expense was mainly caused by the decrease in the quantity of energy produced in the first nine months of 2024 as compared to the same period of 2023.
- 5 Decrease in electricity purchased from Q3 2023 to Q3 2024 primarily due to covering the electricity needs for the supply segment mainly from electricity generation segment as well as the decrease in the average price of negative imbalances

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 1,652 m (-32%) in Q3 2024 compared to Q3 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 the first nine months of 2024 compared to the fourth quarter of 2023.
- As a result, there is a 35% increase in net cash from operating activities in the nine-month period ending 30 September 2024, compared to the same period in 2023.

Trade Receivables



Wholesale and Retail Revenue

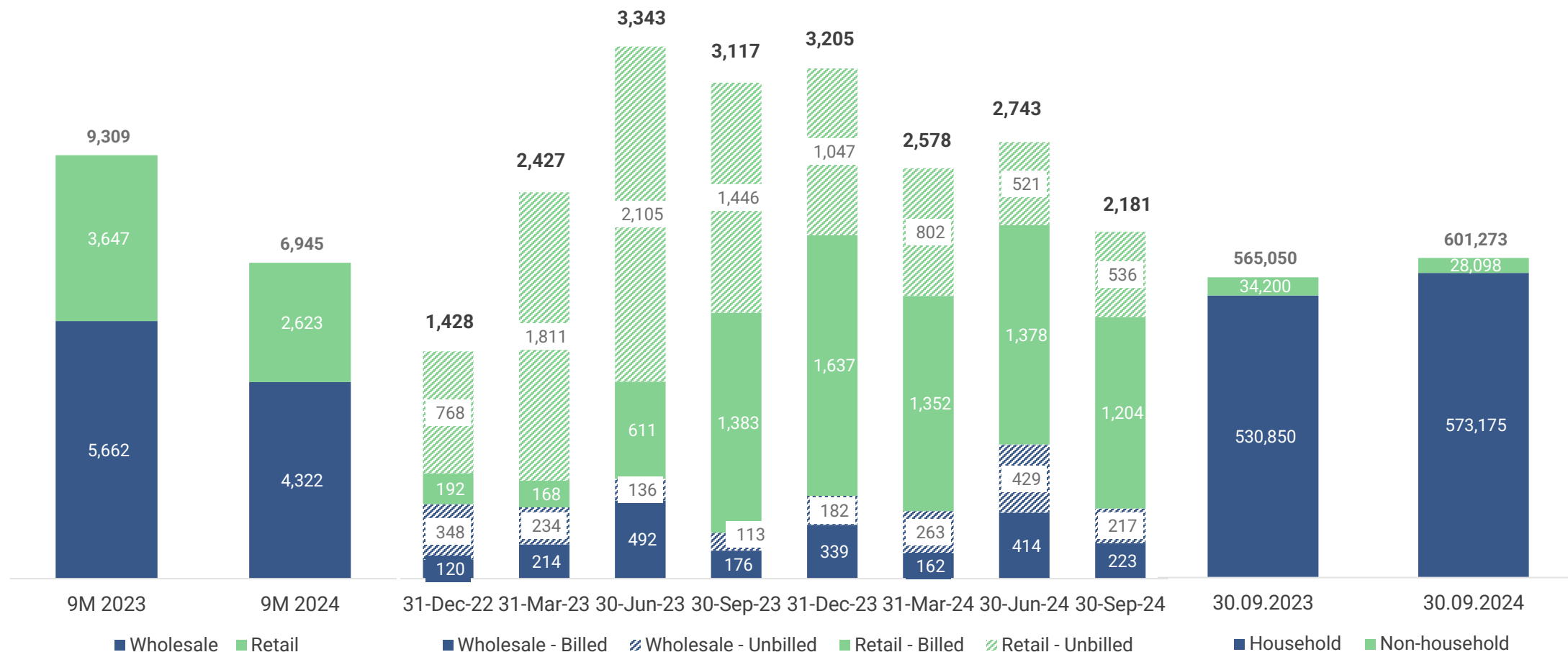
(RON M)

Wholesale and Retail Receivables

(RON M)

Supply Clients (consumptions sites)

(Numbers)





HIDROELECTRICA

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 2025

Households

- RON 680 – 1,300/MWh

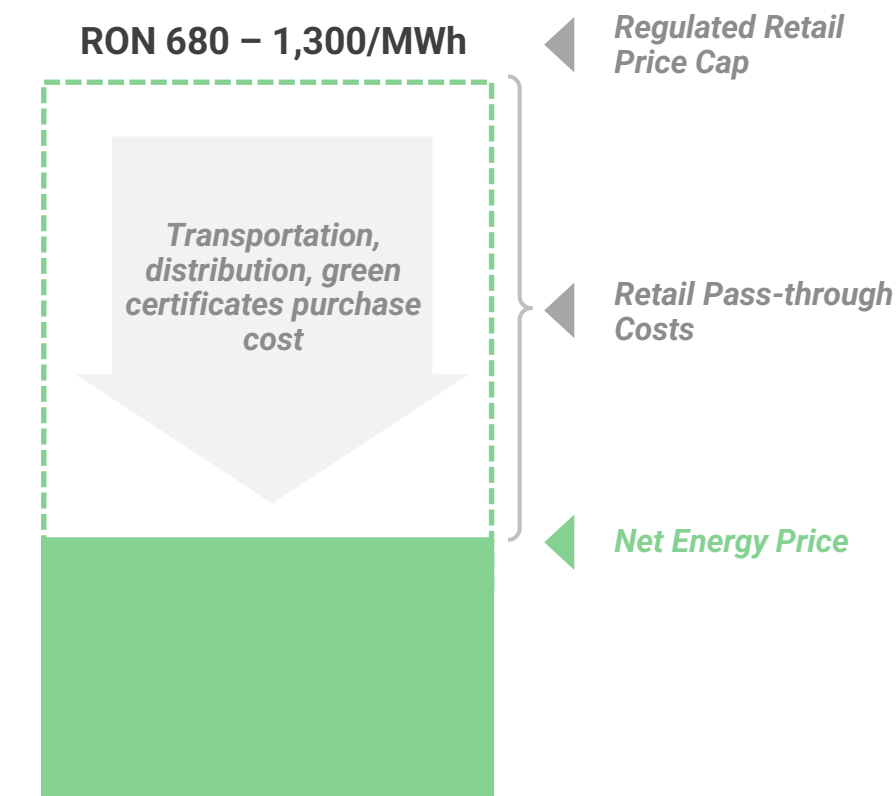
Non-household consumers

- 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

- The cap is reimbursed up to a maximum of RON 700/MWh (applies only to active energy)

Illustrative Retail Customer Invoice Composition





HIDROELECTRICA



End Presentation

Q&A session