



HIDROELECTRICA

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

COMPANY PRESENTATION

May 2023



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HIDROELECTRICA

01

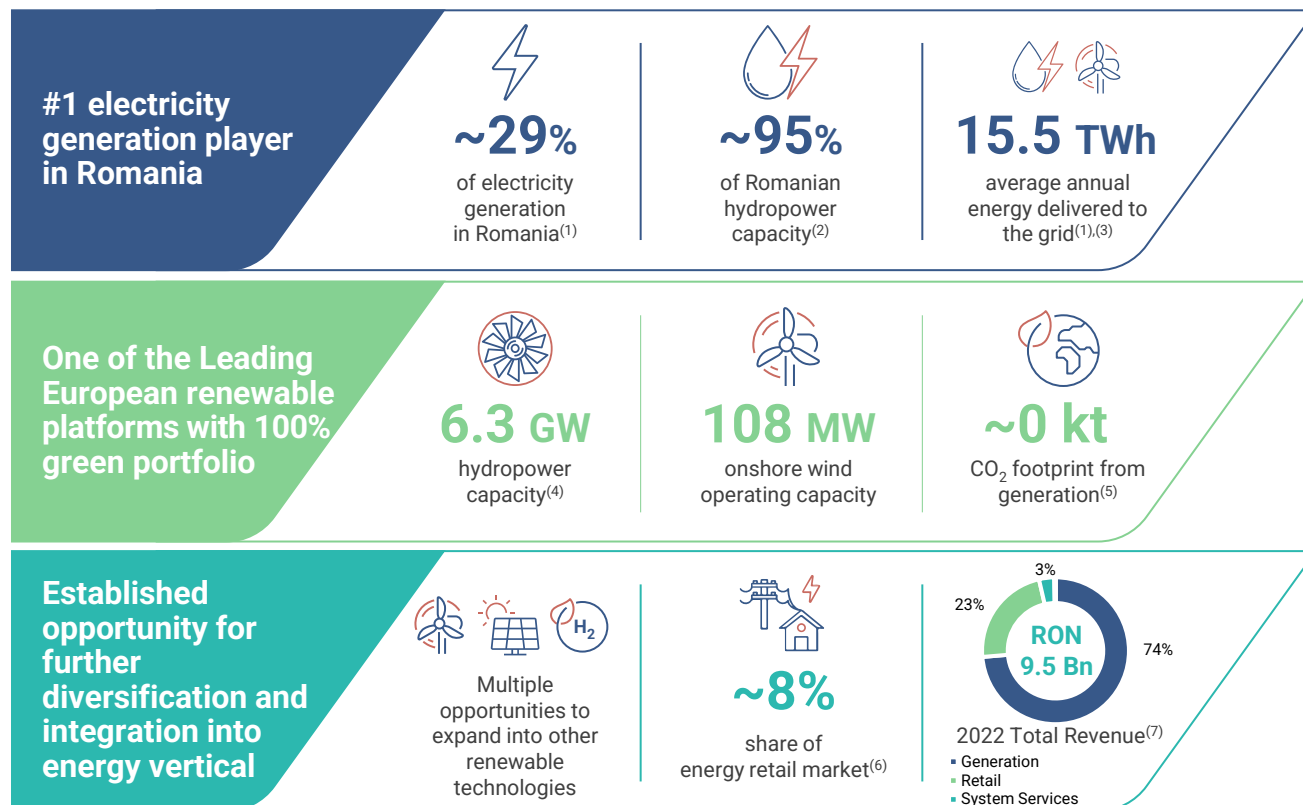
Hidroelectrica Overview



Hidroelectrica at a Glance

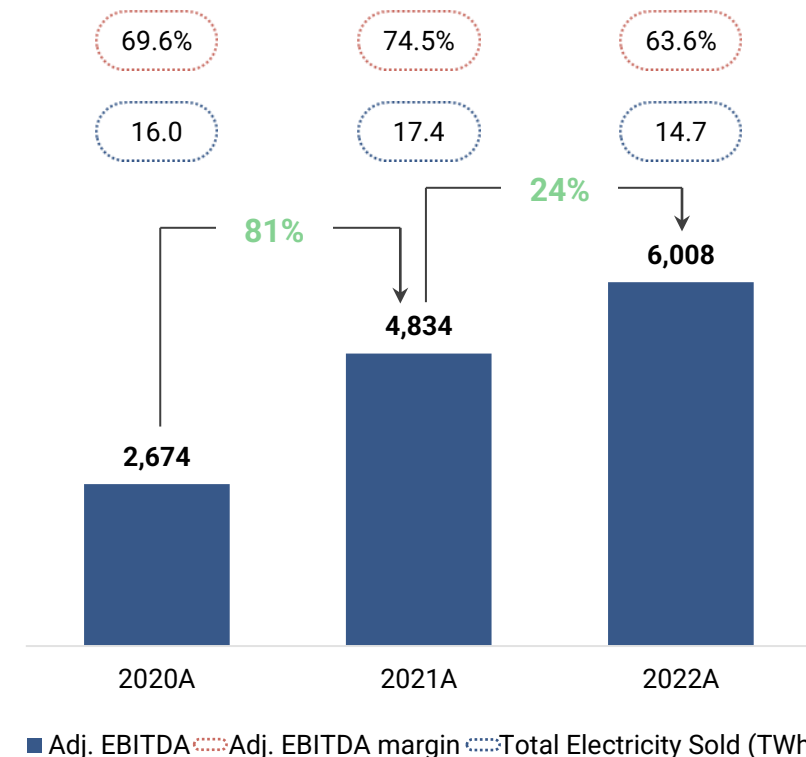


#1 Electricity Producer in Romania with 100% Renewable Energy Portfolio of Scale



Strong Financial and Operational Performance

Adj. EBITDA⁽⁸⁾ (RON MM)



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 suppliers as per Autoritatea Națională de Reglementare în domeniul Energiei 2022 December 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. Adjustments include impairment loss on property, plant & equipment and gain from bargain purchase of subsidiaries. Financials based on preliminary unaudited IFRS consolidated figures

Hidroelectrica Plays an Instrumental Role in Romania's Power Sector

Coordinator & Energy Policy Issuer/Maker



Ministry of Energy

Independent Regulator



Romanian Energy Regulatory Authority (ANRE)

Market Operator



OPCOM



Generation



HIDROELECTRICA

~29%
of the total
generation⁽¹⁾

~67%
of renewable
generation⁽¹⁾

~95%
of the hydro
capacity⁽²⁾

ENGIE
enel

e-on
IBERDROLA

edp

ERG
TPLC

CEZ GROUP
Verbund⁽³⁾

COMPLEXUL
ENERGETIC
OLTENIA

NUCLEARELECTRICA

ELCEN

OMV Petrom



Ancillary Services



HIDROELECTRICA
~67%
of Secondary
Adjustment Reserve



HIDROELECTRICA
~66%
of UP Fast Tertiary
Reserve



HIDROELECTRICA
~11%
of DOWN Fast
Tertiary Reseve



HIDROELECTRICA
~100%
of reactive energy



Transmission



Transelectrica[®]



Subsidiary of
Transelectrica
(Electricity Market
Operator)



Distribution

SDEE
Muntenia Nord

SDEE
Transilvania Sud

SDEE
Transilvania Nord

e-distributie
Banat

e-distributie
Dobrogea

e-distributie
Muntenia

DISTRIBUTIE
OLTENIA

e-on



Energy Retail



HIDROELECTRICA

~8% of the Romanian energy retail market⁽⁴⁾

enel

TINMAR
energy

FSV

OMV Petrom

e-on

oxoo

VEOLIA
ENERGY

Raffles Energy

Electrica

CEZ GROUP⁽²⁾

ROMGAZ

RES
ENERGY SOLUTION SA

+80 other suppliers⁽⁵⁾

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

Notes:

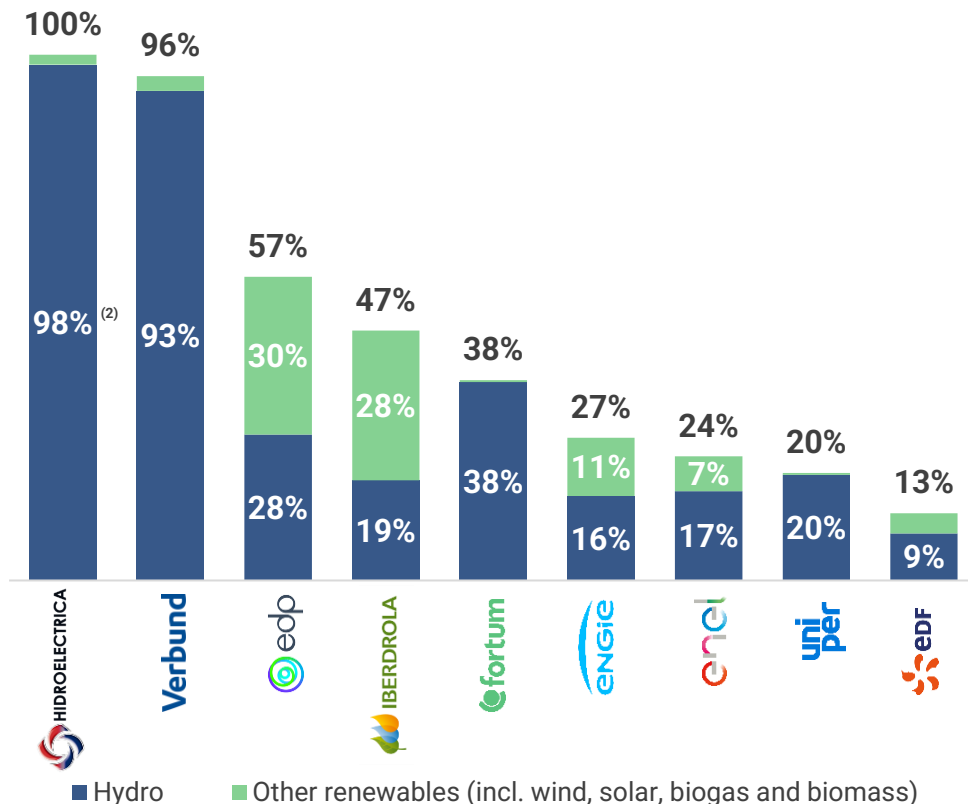
1. Average market shares between 2018 and 2022, based on total energy delivered to the grid as per Autoritatea Națională de Reglementare în domeniul Energiei (Romanian Energy Regulatory Authority) annual reports
2. Based on 6.3 GW of hydropower capacity for Hidroelectrica as per Company information, and Wood Mackenzie estimates for hydropower capacity in Romania as of 2022
3. CEZ Group assets in Romania are owned by Macquarie (MIRA) and are no longer part of CEZ a.s.
4. Based on market shares of suppliers as per Autoritatea Națională de Reglementare în domeniul Energiei 2022 December report
5. Based on Autoritatea Națională de Reglementare în domeniul Energiei 2022 November report

We Benefit From Scale and Leading Market Position



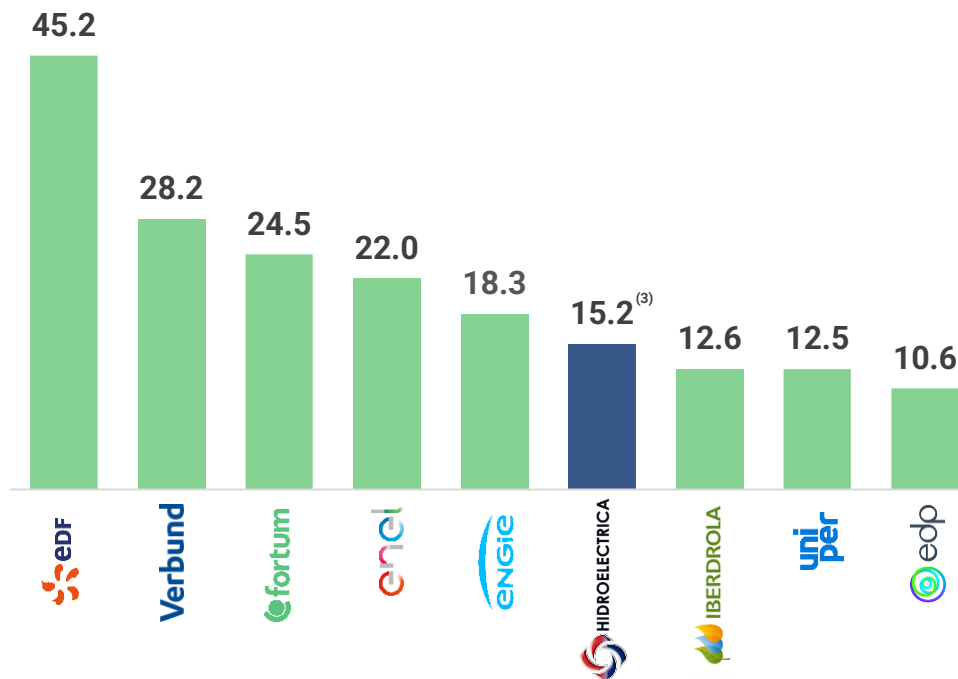
Highest Share of Renewable Energy Generation Among European Utilities with Hydro Presence

Total European Electricity Generation by Type on Average from 2018 - 2022 (%)⁽¹⁾



Sizable Hydro Player in European Context

Electricity Generation from Hydro Sources on Average from 2018 - 2022 (TWh)⁽¹⁾



Source: Companies' public disclosure, ANRE (Hidroelectrica)

Notes:

1. Represents European assets only

2. Total generation calculated as the sum between 15.2 TWh (average energy delivered from hydro sources between 2018 and 2022) and 0.3 TWh (energy delivered to the grid by the wind farm in 2022) as wind farm was acquired in December 2020

3. Based on the total electricity delivered to the grid as per Autoritatea Națională de Reglementare în domeniul Energiei (Romanian Energy Regulatory Authority) annual reports

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

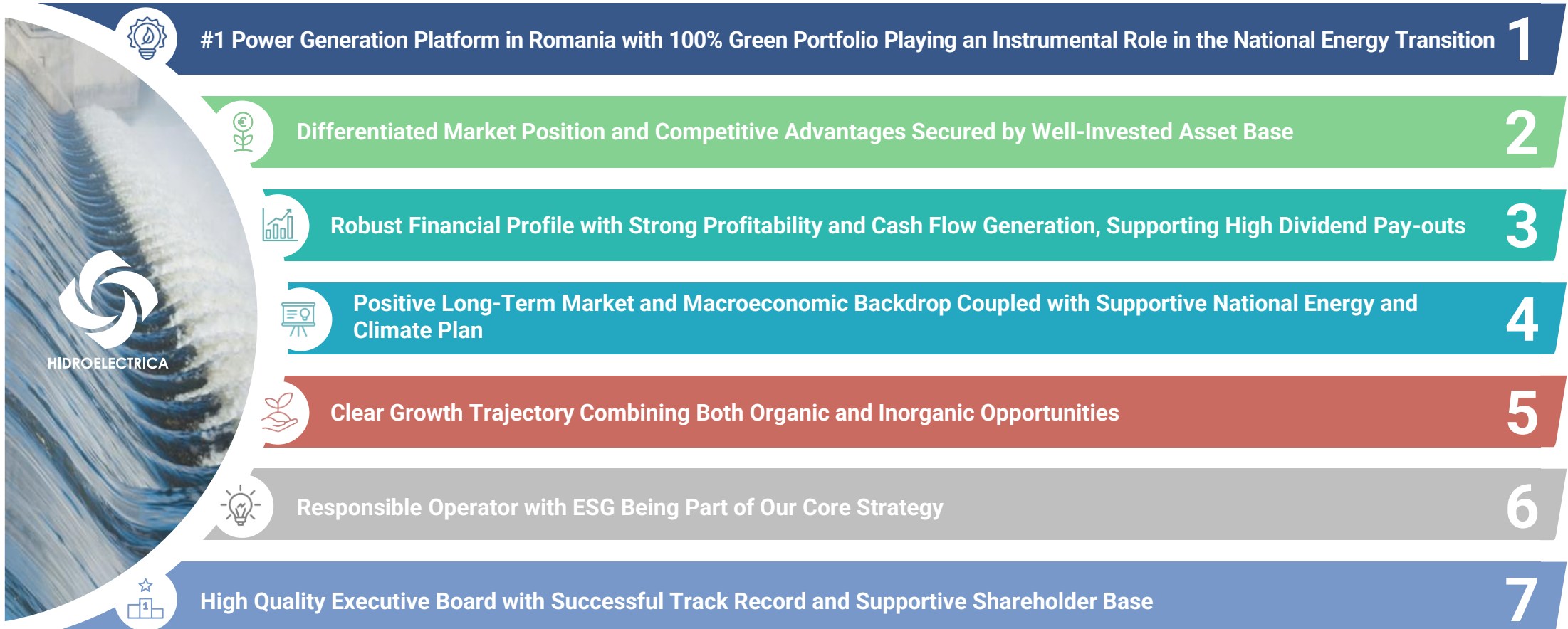
Prudent Financial Strategy



Maximising Cash Generation & Shareholder Returns

Shareholder value focus through operational efficiency and investments to maximise returns, whilst **maintaining a minimum 90% pay-out historically**

Leading European Renewables Platform

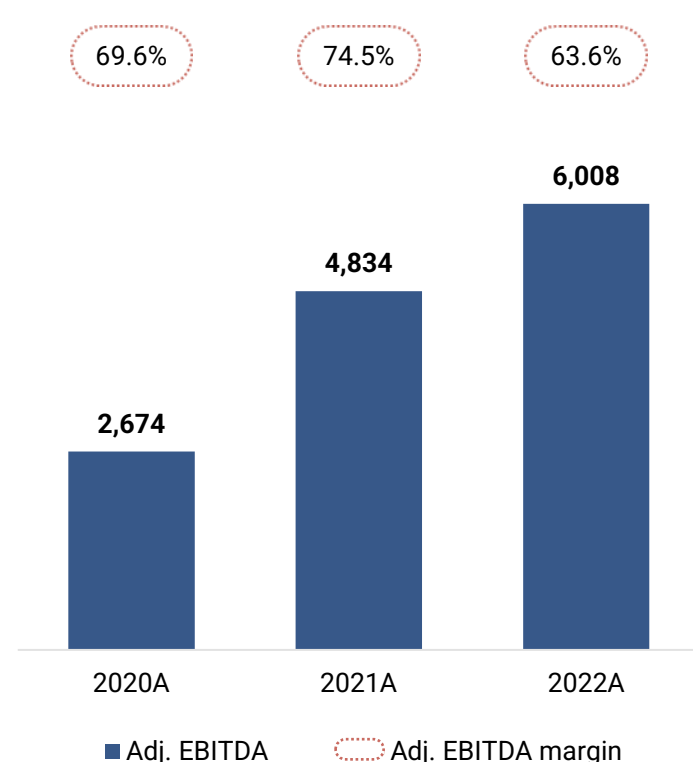


Robust Financial Profile with Strong Profitability and Cash Flow Generation, Supporting High Dividend Pay-outs...



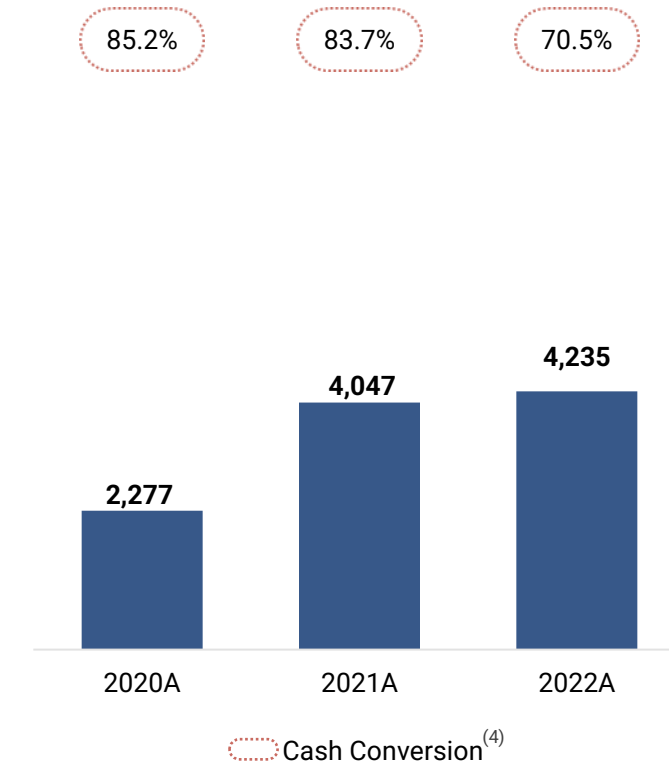
High Adj. EBITDA Margins⁽¹⁾...

Adj. EBITDA⁽²⁾ (RON MM)



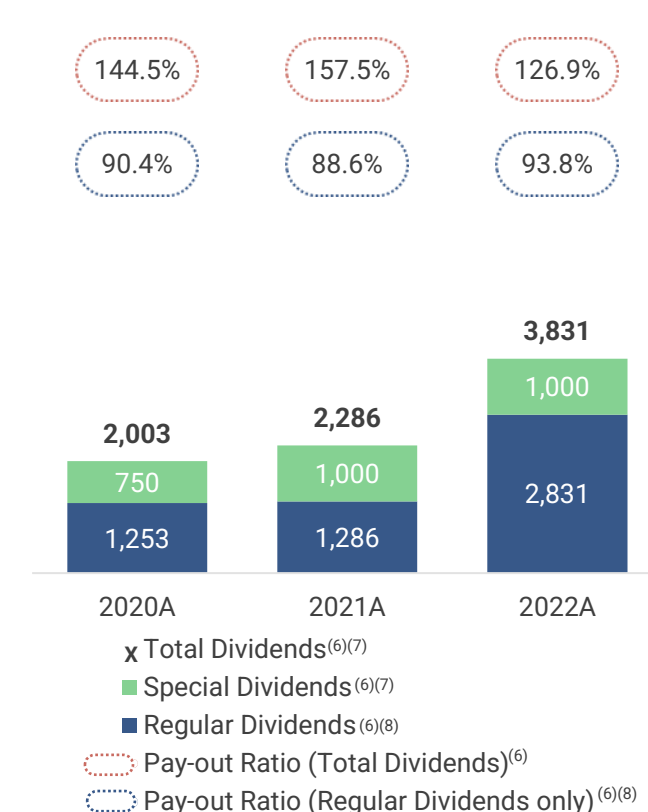
...Driving Strong Cash Generation...

Operating Cash Flow⁽³⁾ (RON MM)



... and Historically Attractive Regular and Special Dividend Payout of >90%⁽⁵⁾

Dividend Paid (RON MM)



Source: Company information

Notes:

- Financials based on preliminary unaudited IFRS consolidated figures
- Adjustments include impairment loss on property, plant & equipment and gain from bargain purchase of subsidiaries
- Operating Cash Flow defined as net profit + adjustments for non-monetary items – working capital movements – interest paid – income tax paid as per cash flow statement
- Cash Conversion defined as Operating Cash Flow / Adj. EBITDA

- State owned companies in Romania are legally obliged to maintain a minimum 50% payout ratio in accordance with Ordinance no. 64/2001. Exact payout is subject to potential changes in dividend policy
- Ratio calculated on Net Income of local GAAP individual financial statements of S.P.E.E.H. HIDROELECTRICA S.A, shown as the period for which the dividend is paid
- Special Dividends distributed from retained earnings
- Regular Dividends declared from profits generated for the financial year

...and Offering High Strategic and Financial Flexibility

Planned Use of Cash Priorities⁽¹⁾



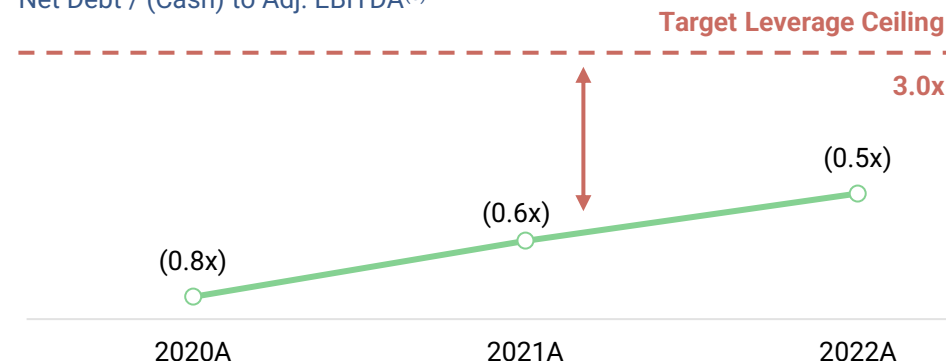
>90%
Historical Pay-out

We are in a **good position** to add **quality senior debt**

Strong Net Cash Position (RON MM)



Conservative Capital Structure Net Debt / (Cash) to Adj. EBITDA⁽³⁾



Source: Company information

Notes:

1. Financials based on preliminary unaudited IFRS consolidated figures
2. Pay-out ratio presented calculated as total distributed dividends / attributable Net Profit Y-1
3. Adjustments include impairment loss on property, plant & equipment and gain from bargain purchase of subsidiaries



HIDROELECTRICA

02

Market Overview

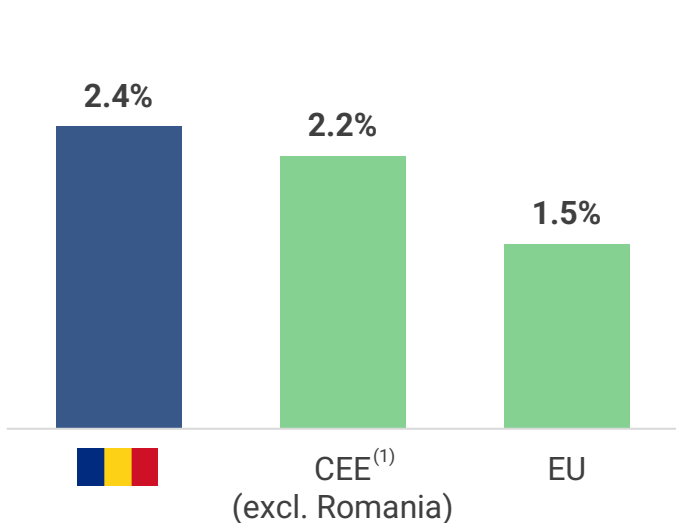


2

Positive Long-Term Market and Macroeconomic Backdrop

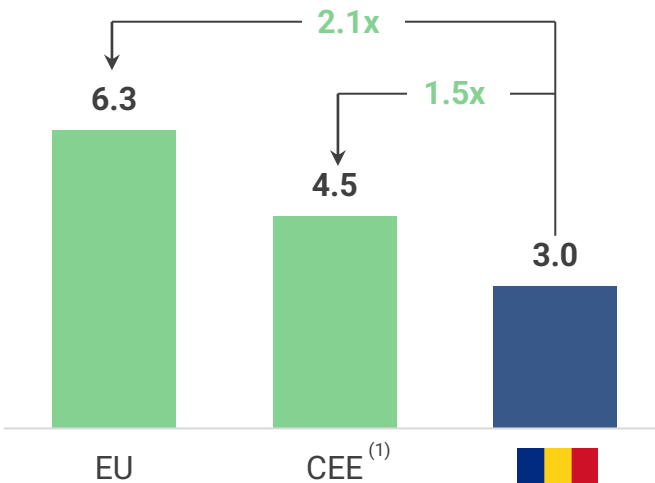
Romania is Forecasted to Be One of the Fastest Growing Economies in Europe...

Real GDP CAGR between 2022 – 2026 (%)



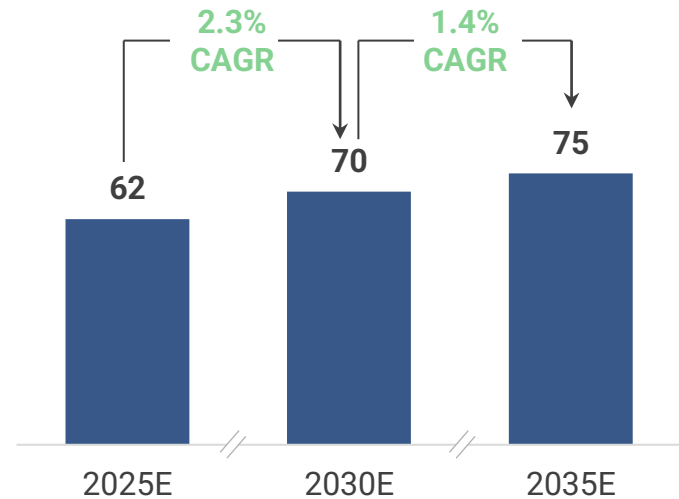
...With Comparatively Low Energy Consumption...

Electricity Consumption per Capita in 2022E (MWh)



...Which is Expected to Grow in the Long Term

Gross Power Demand in Romania (TWh)



19.7 MM

Population in 2022



€251 Bn

Real GDP in 2022⁽²⁾



€4.9 Bn

Electricity Generation Market Size in 2022⁽³⁾



Stable

Currency regime with prospects of joining Euro by 2029

Source: Wood Mackenzie

Notes:

1. Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, and Slovakia

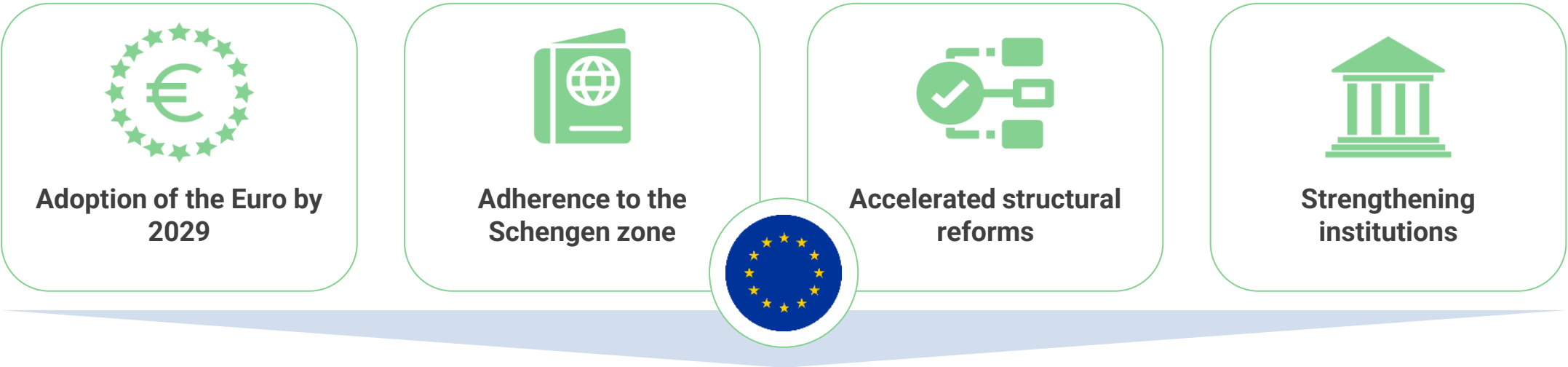
2. In 2021 real prices terms


3. Market Size calculated as Total Energy Produced (TWh) multiplied by capped Energy Price (RON/MWh). Total Energy Produced in 2022 of 53.5 TWh based on ANRE December 2022 report, Energy Price of 450 RON/MWh for wholesale market as per latest ordinance

2

Further Integration in Europe...

Convergence with the European Union is Key in Securing Long-Term Support from EU-led Programmes





Romania will receive a total of **€31.5 billion** from the EU Cohesion Policy in 2021-2027 to promote the **economic, social, and territorial cohesion** of its regions and its **green and digital transition**

...and Strong Government Commitment to Deliver on the National Energy and Climate Plan

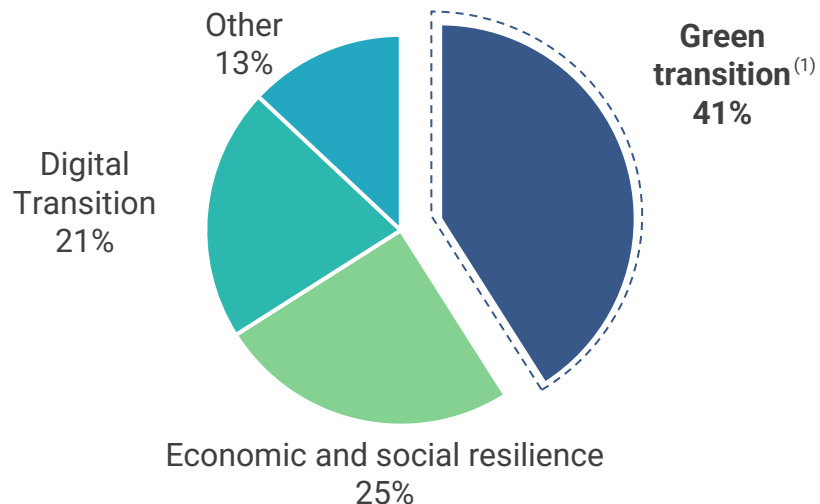


Romania's Recovery and Resilience Plan

€29 Bn of support

107 investments, 64 reforms

1.1% GDP growth added by 2026










National Renewable and Nuclear Build-out Targets are Achievable



Stimulating legislative and regulatory framework for private investment in renewable generation



Total 10-11GW of wind and solar capacity by 2030

Thermal	Renewables	Nuclear
 100% independence from fossil fuel in the national energy mix by 2050	 Total wind capacity: c.5+ GW by 2030	 Completion of Cernavoda NPP Units 3 and 4 by 2030/31
 Coal phase-out by 2032	 Total solar capacity: c.5+ GW by 2030	 Refurbishment of Unit 1 (2027/28)
		 Deployment of Small Modular Reactor

Based on the NECP⁽²⁾

TARGETS PER NECP – DIFFERENT FROM WOOD MACKENZIE PROJECTIONS

Source: The 2021-2030 Integrated National Energy and Climate Plan (NECP) of Romania

Notes:

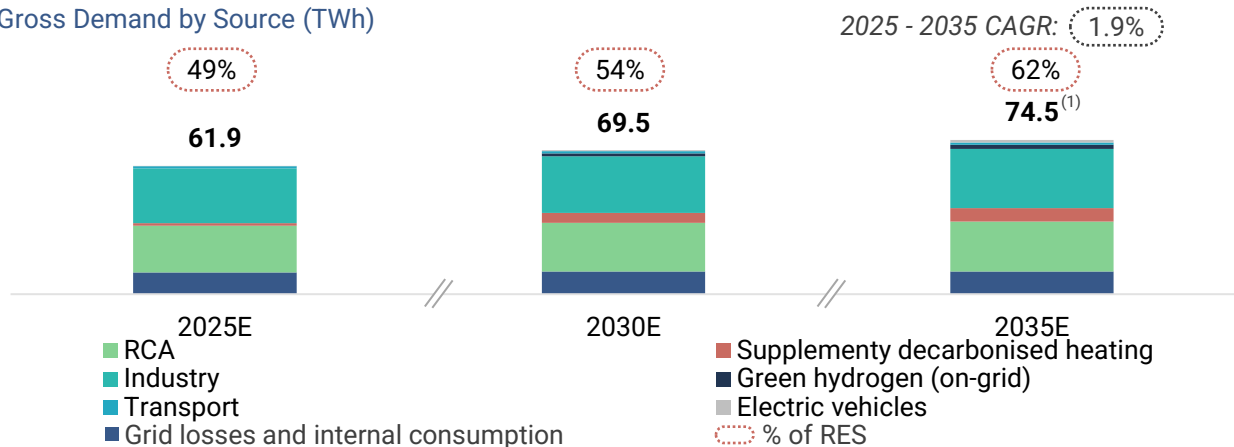
1. Green transition initiatives include the modernisation of railways, urban mobility, clean energy production, energy efficiency of buildings, and biodiversity and environmental protection

2. The National Energy and Climate Plan published in April 2020

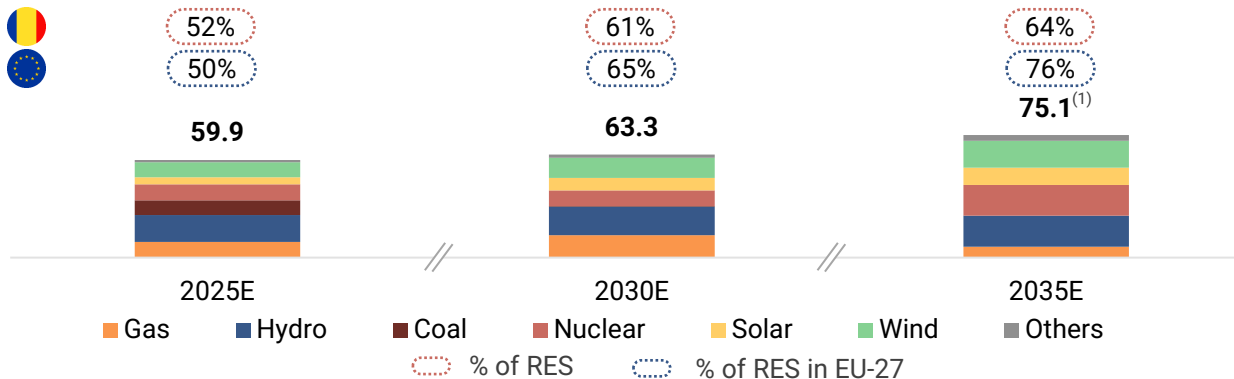
Demand-driven Expansion of the Romanian Electricity Generation Portfolio...

Romania's Overall Capacity and Renewable Share is Increasing

Gross Demand by Source (TWh)



Generation by Source (TWh)



As Romania's economy develops, c. 1/3 of the growth in demand will be driven by an increase in base demand

A

The electrification of heating, growth in electric vehicles, and implementation of green hydrogen technologies add to the overall demand increase

B

Change in fuel mix as coal is phased out and renewables and nuclear become larger part of energy mix




C

2

... Underpinned by an Increase in Base Load Demand from Electrification...




A

Base Demand is Set to Increase

Demand Source	Power Demand (TWh)			Base Demand Growth Factors
	2025E	2030E	2035E	
 RCA ⁽¹⁾	22.6	23.6	24.2	<ul style="list-style-type: none">Growing economic prosperityShift towards a services focused economy
<div>+0.8%+0.5%</div> <div>0.7% CAGR</div>				
 Industry	26.5	27.5	28.7	<ul style="list-style-type: none">Expanding foreign investmentsRising industrial output levels
<div>+0.7%+0.9%</div> <div>0.8% CAGR</div>				
 Transport	1.1	1.1	1.1	<ul style="list-style-type: none">Private sector participation in infrastructureElectric rails and sustainable mobility
<div>+0.3%+0.2%</div> <div>0.3% CAGR</div>				

B

... Fuelled by Growing Demand for EVs, Electrolysers and Heat Pumps

Demand Source	Power Demand (TWh)			Technological Growth Factors
	2025E	2030E	2035E	
 Heat Pumps	1.3	4.7	6.5	<ul style="list-style-type: none">+1.3 MM households with heat pumpsEfficient financing measures
<div>+29.5%+6.8%</div> <div>17.6% CAGR</div>				
 Hydrogen	n/a	1.3	2.0	<ul style="list-style-type: none">Financial support for pilot green hydrogenDecrease in cost of renewables and electrolysers
<div>+8.6%</div> <div>52.6% CAGR⁽²⁾</div>				
 Electric Vehicles	0.1	0.5	1.1	<ul style="list-style-type: none">+1 MM new electric vehiclesCost reduction and innovation in battery storageTax incentives
<div>49.6%20.4%</div> <div>34.2% CAGR</div>				

Source: Wood Mackenzie

Notes:

1. Residential, Commercial and Agriculture

2. 9-year CAGR between 2026 and 2035

Excluding losses attributable to the distribution of power and internal consumption as per Wood Mackenzie report

... and Supported by Significant EU Funding of Renewables Rollout



1 Modernisation Fund

Revenue derived from the auctioning of **2% of total certificates** allocated under the EU-ETS scheme for 2021-2030

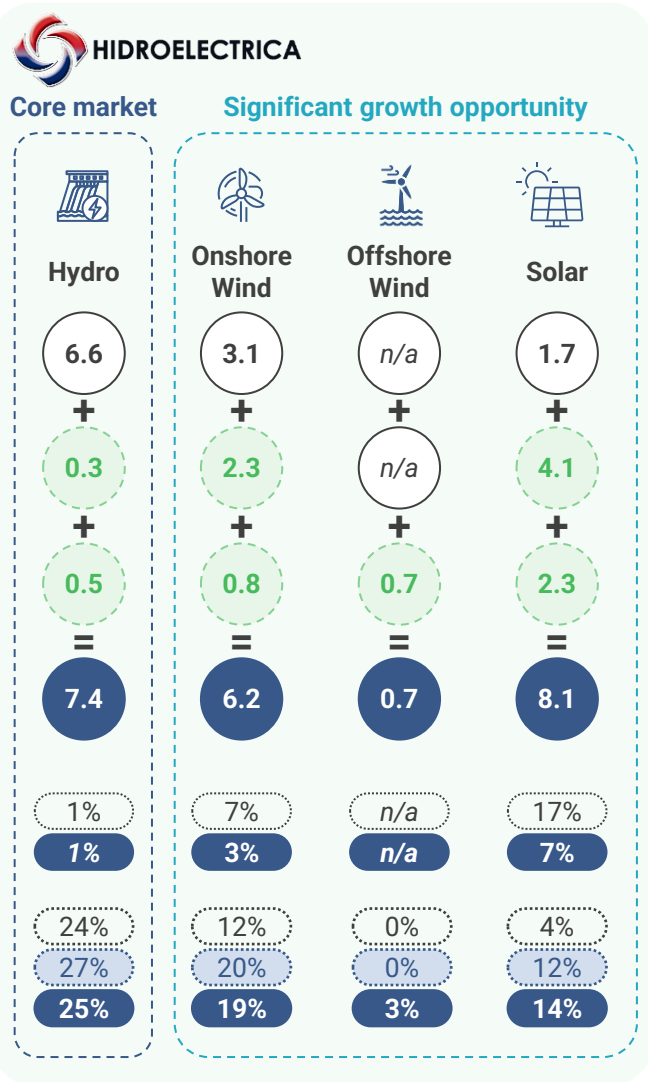
2 Recovery and Resilience Plan

€1.6 Bn allocated to Romania's energy sector (€460 MM for renewables and €300 MM for high-efficiency cogen)

3 Just Transition Fund

Romania is the **third-largest recipient** of the Just Transition Fund, receiving €1.95 Bn

Fundings are putting Romania on the right track to **decarbonize the energy sector**

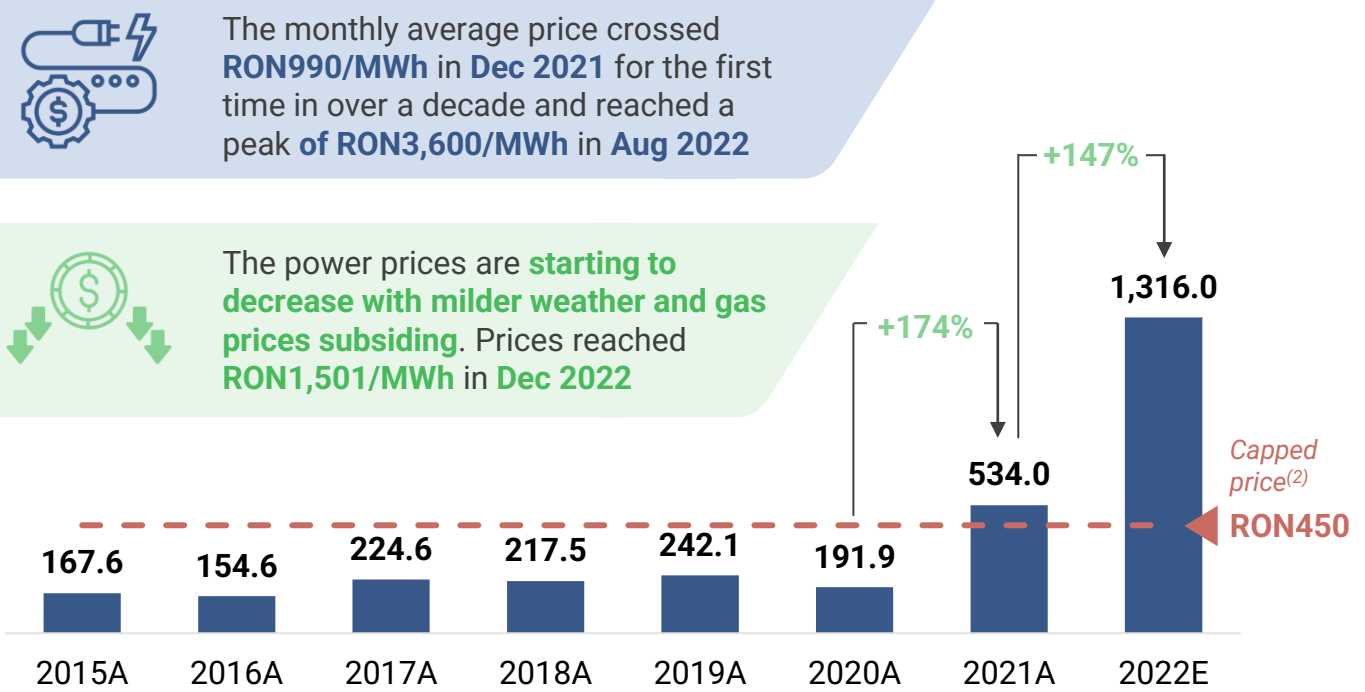


2

Electricity Prices Have Surged as a Result of the Russian-Ukraine War, with Electrification Trends and Hydrology Conditions Driving Future Power Prices


Power Prices Have Rallied Since the End of 2021

Historical Electricity Prices (RON⁽¹⁾ per MWh)




Key Drivers Impacting Romanian Power Fundamentals & Prices

Accelerated Coal Phase-out




1

Growing Contribution of Renewables and Nuclear



2

Power Demand Growth Promoted by Electrification



3

Influence of Hydrology



4

Source: Wood Mackenzie
Notes:
1. RON to EUR currency conversions apply average annual/monthly FX rates, as applicable. Respective FX rates sourced from the National Bank of Romania
2. RON450 partial price cap was introduced in March 2022



HIDROELECTRICA

03

Portfolio and Asset Management Overview



3

Business Unit Summary

Generation and Ancillary Services



Energy Supply



187

Hydropower Plants
across 7 Branches

~6.3GW

Production Hydro
Capacity⁽¹⁾

108MW

Onshore Wind
Operating Capacity

15.5TWh

5-year Avg. Net
Portfolio Production⁽²⁾Provider of
**Balancing
Services**
to the GRID

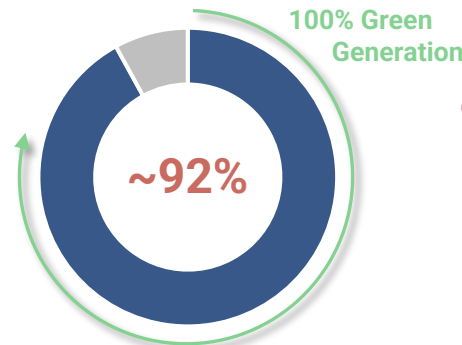
~5k hMW

Delivered via
ancillary reserves in
2022

3.7TWh

Energy Supplied
in 2022

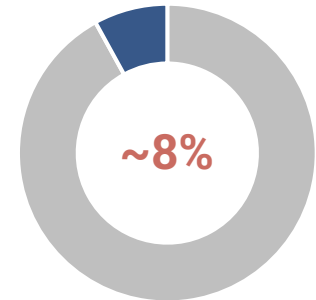
~461k / ~22k

Household / Non-
Household ⁽⁶⁾Contribution to
2022A EBITDA⁽³⁾

~0 kt

CO₂ Footprint
from Generation⁽⁴⁾

~489k

Green Certificates⁽⁵⁾

Source: Company information

Notes:

1. Excludes 92 MW of electrical pump stations
2. 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)
3. % EBITDA calculation based on segmental reporting per consolidated IFRS financial statements. EBITDA calculated as segment profit before tax + depreciation + amortization + net finance income / cost. Calculation includes impact of intercompany sales

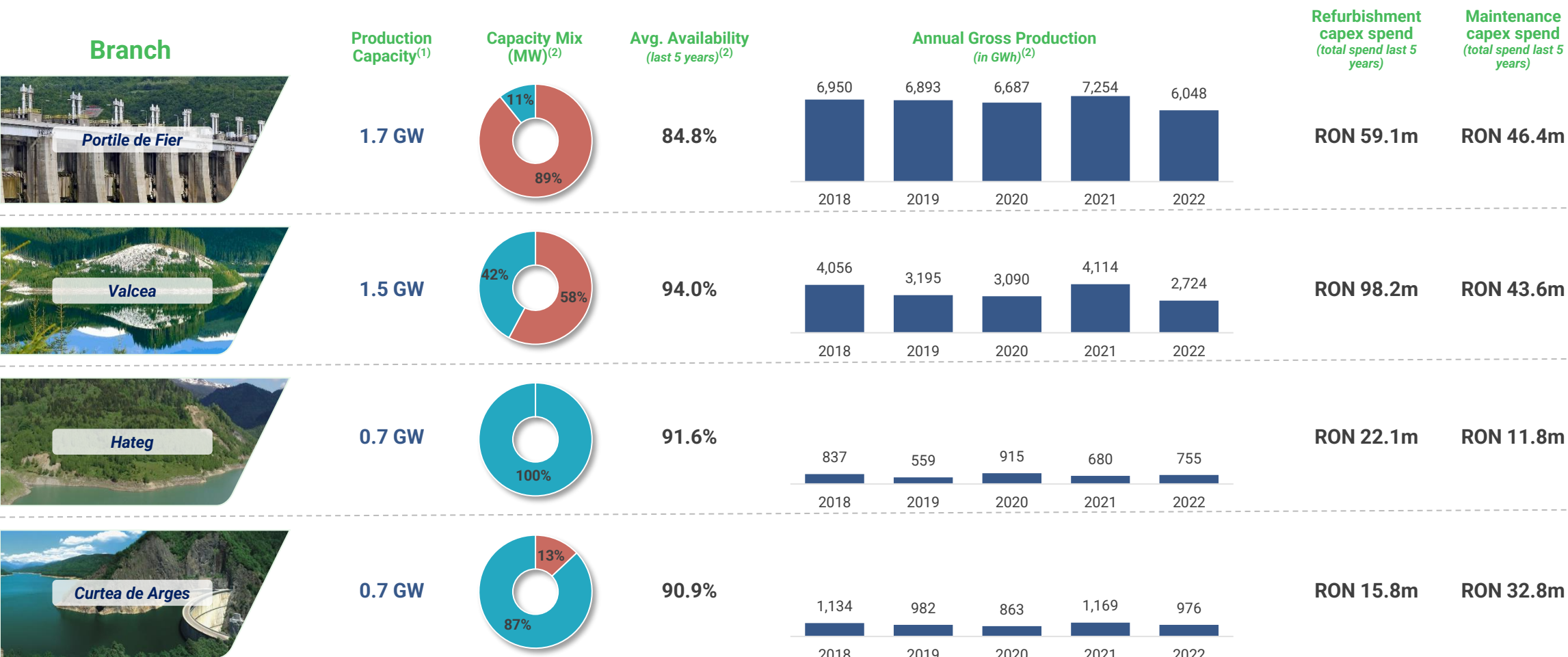
4. Excluding car fleet footprint

5. Total Green Certificates in stock from Hidroelectrica's hydro and wind activities as at 31 December 2022

6. As at 31 December 2022. Non-household refers to number of locations energy supplied to

3

Hydro Generation Portfolio Summary



■ Run-of-river
■ Storage

Source: Company information

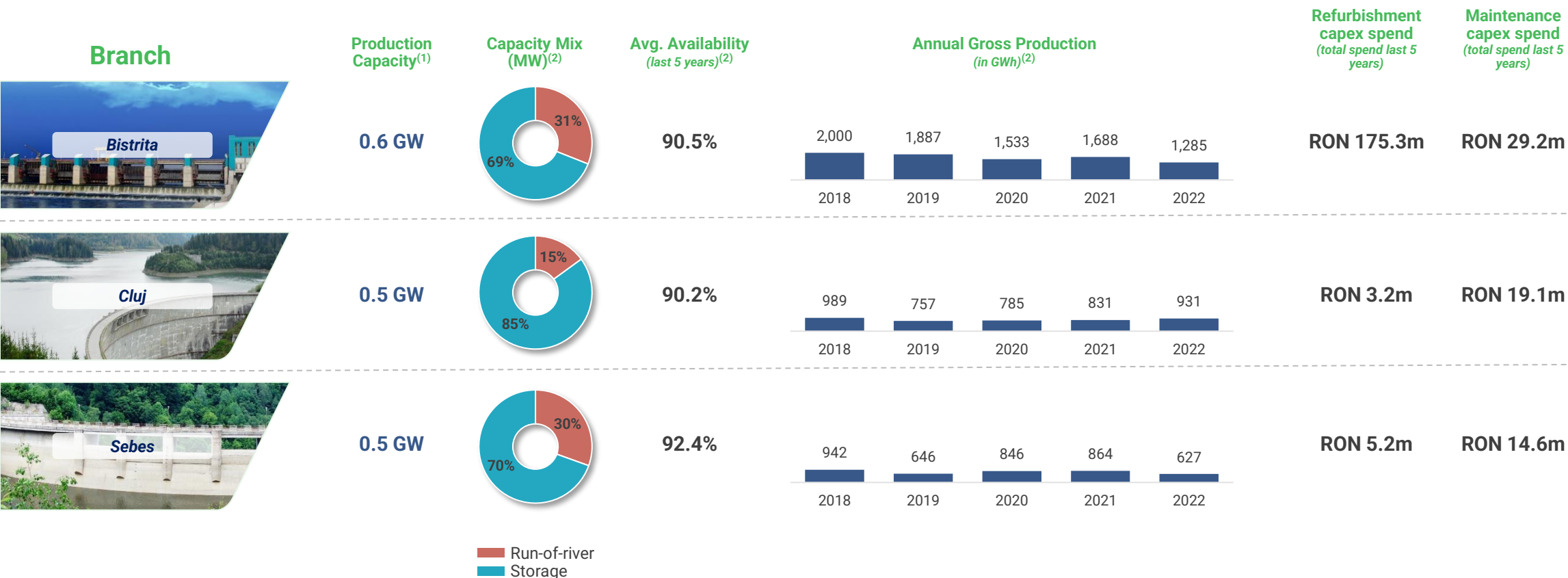
Notes:

1. Excludes 92 MW of electrical pump stations

2. Excludes power plants <10 MW and electrical pump stations

3

Hydro Generation Portfolio Summary



Source: Company information

Notes:

1. Excludes 92 MW of electrical pump stations

2. Excludes power plants <10 MW and electrical pump stations

Onshore Wind Generation



Wind Highlights

108MW

installed capacity

36 Vestas V112

3MW turbines

98.6%

avg. availability last 5 years

30.8%

Avg. net capacity factor last 5 years

291.6GWh

avg. net generation output last 5 years

Strategically located

on Romania's east coast

State support scheme

qualification until 2029⁽²⁾

0.75

green certificates awarded per MWh

~35 hours / year

avg. planned outage hours last 5 years

Commercial

services provided in-house⁽¹⁾

Operations & Maintenance

provided by 3rd party Vestas⁽³⁾

~RON 27m

avg. annual O&M spend last 5 years

2014

Wind farm developed by STEAG and fully commissioned

2021

Hidroelectrica acquires Crucea

Key operational synergies since the takeover

- ✓ ~80% savings on balancing costs
- ✓ Additional 25k p.a. green certificates sold through Hidroelectrica's ownership (c. RON 3.6m p.a.)

Source: Company information

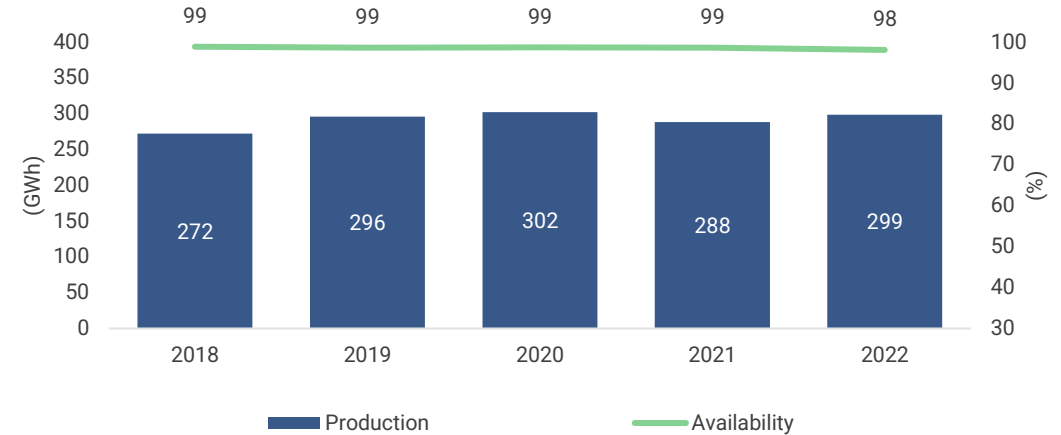
Notes:

1. Crucea Wind Farm Services S.R.L. provides technical and operational services exclusively for Crucea Windfarm

2. After support scheme ends in 2029, green certificates may be sold until 2032

3. O&M contract with Vestas has 10 year term

Generation Output and Site Availability (2018A – 2022A)



3

Ancillary Services

Overview

Daily competitive auction process for ancillary services⁽¹⁾

Auction bidding for hourly interval slots based on TSO demand requirement

Each supplier bids a maximum 10 quantity / price pairs per auction

Hidroelectrica is paid for guaranteeing energy to NES when needed pursuant to contract secured

Additional revenue is earned if Hidroelectrica is actually called upon to deliver ancillary services to NES

3 different services delivered - categorised by NES's time response requirement

Hidroelectrica Differentiates Itself in Auction Process Through...



Leading market position - Hidroelectrica is the largest system services provider in Romania



Proven track record of delivering essential ancillary services to the NES



Large production capacity & capabilities provides unique advantage



7 hydro power plants within generation portfolio deliver ancillary services to NES⁽³⁾



Low marginal production cost to provide services



Dispatch flexibility of hydro asset base

Hidroelectrica's Services are Essential to the National Energy System⁽²⁾

67%

Of Secondary Adjustment Reserve



66%

Of UP Fast Tertiary Reserve



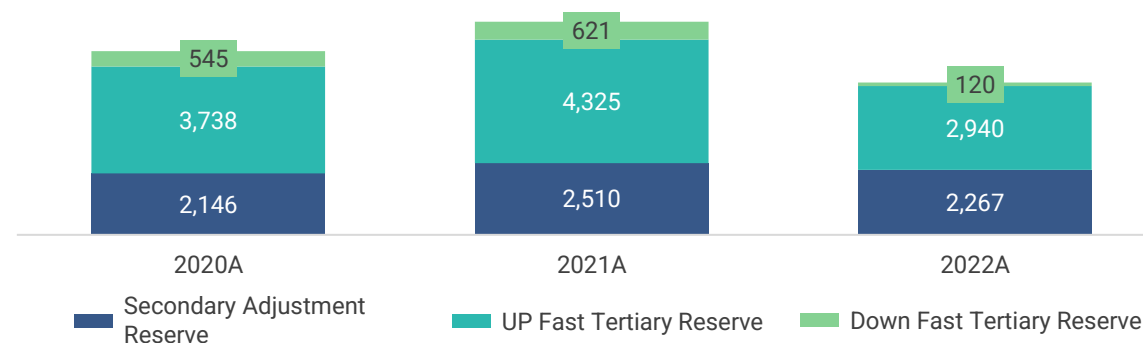
11%

Of DOWN Fast Tertiary Reserve



100%

Of reactive energy delivered or absorbed from the network⁽⁴⁾

Ancillary Services Volume (in hGW⁽⁵⁾)

Source: Company information

1. Hidroelectrica and two other Romanian competitors provide all ancillary services in Romania

2. KPIs based on 2022 financial year

3. Power plants that provide ancillary services include Lotru, Portile de Fier I, Vidraru, Galceag, Sugag, Ruieni and Mariselu

4. Reactive Energy is energy delivered or absorbed from the Romanian national grid system in order to maintain system frequency at a specified level

5. hGW defined as unit in which ancillary services is measured

Energy Supply is a Highly Fragmented Market...

Demand by Source (TWh)

Retail market is **fragmented** with more than 90 suppliers



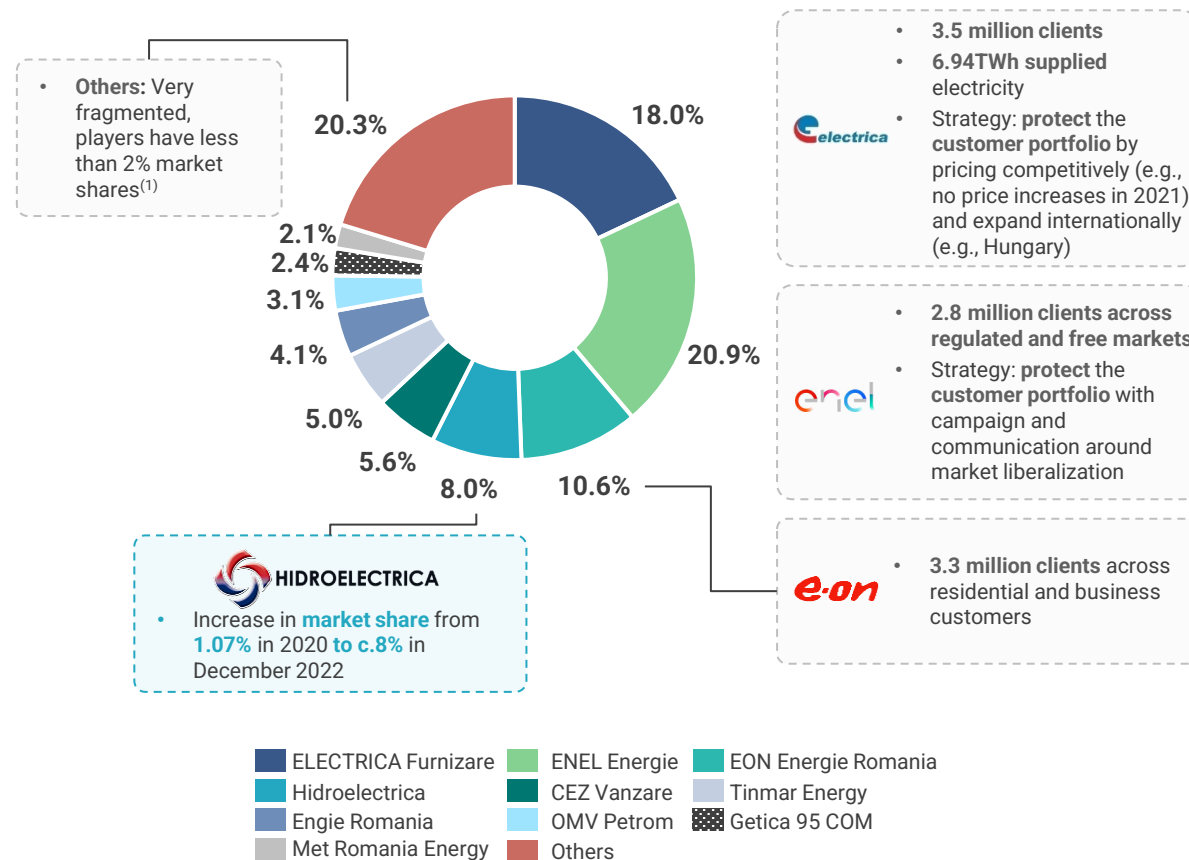
With **ENEL** and **Electrica** the **key competitors** in the retail space having built-up their brand and customer loyalty over the years



HIDROELECTRICA growth angle would be by leveraging generation portfolio and secure direct C&I contracts

...with Hidroelectrica Building-up a Sizable Position Over the Years

Romanian Energy Market Breakdown as of December 2022 (% TWh)



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

Notes:

1. Players with 1%- 2% market shares : Renovatio, Nova Power and gas, Alro, Electrificare CFR, Next Energy Partners, Energy Distribution Services, CE Oltenia, Verbund Wind, EFT Furnizare and other 74 suppliers with individual market shares less than 1%

Energy Supply (2/2)



Supplies directly to
end retail
customer



Residential



Industrial
businesses



Automotive



Telecom



Construction

2022

Household

Non-Household

Customers⁽¹⁾

461k

22k⁽¹⁾

Energy
Delivered
(GWh)

586

3,090

Share of Total

~16%

~84%

Recent commercial strategy
employed to **gain critical mass**
in household supply market

Existing regulatory cap provides
opportunity to **generate higher**
margins in non-household segment

Supply Highlights

~8%
market
share⁽²⁾

1 year
typical
contract
length

Fixed
price
contracts

100%
pass
through of
electricity
costs

RON 10
avg. cost to
acquire
new
customer⁽³⁾

>99%
customer
renewal
rates

Procurement Strategy



Current
production
source split

~82%⁽⁴⁾

Supply energy required
transferred from generation
portfolio on daily basis



~18%⁽⁴⁾

Purchased externally under
contract with Nuclearelectrica at
fixed price of 450 RON / MWh ⁽⁵⁾

Hidroelectrica pursues 3rd party
procurement in some cases when
specific criteria are met

Current Energy User Price Cap

Household

0.68 – 1.30 RON / KWh

Non-Household

1.0 – 1.30 RON / KWh

Source: Company information, ANRE

1. As at December 2022. Number of non-household locations energy delivered to

2. As at December 2022 per ANRE report

3. CAC calculated as cost of supply sales staff / # customers acquired

4. Approximate split as at February 2023

5. Contract with Nuclearelectrica commenced in October 2022 and runs until August 2023. Contract provides fixed volume of 120MW / hour (~90GW per month) at fixed price of 450 lei / MWh



HIDROELECTRICA

04

Growth Strategy



4 Clear Defined Strategy For The Future



Operational Efficiency

Growth Strategy

4

Core Areas of Focus for Portfolio Optimisation



1

Electricity Generation Infrastructure

Major infrastructure upgrades to the power stations including **turbines** and **generators**

2

Systems and Ancillary Equipment

Improvement and / or **implementation** of substations, grid connections, monitoring and diagnostic systems, automation controls, electrical stations and auxiliary equipment

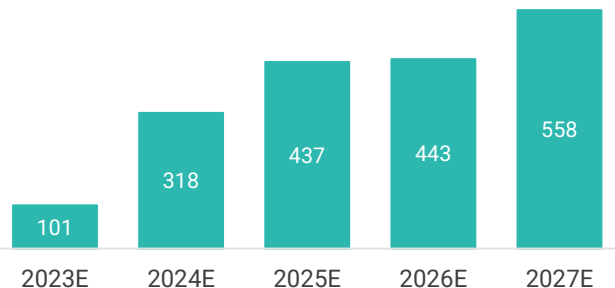
3

Unlocking additional capacity from existing plants

Focus on **improving plant and power unit efficiencies** where current generation output below power units design potential

Refurbishment Programme (2023E-2027E)

(in RONm)



■ Approved, Committed and Planned capex

Portfolio Snapshot

~RON 1.8bn

Allocated to refurbishment / modernisation programme over next 5 years ⁽¹⁾

~1.1 GW

Of installed hydro capacity under review by 2030E

Expected Results



~240 MW

Additional production capacity unlocked⁽²⁾



30 years

Avg. lifecycle extension per hydro plant

Source: Company information

Notes:

1. Total includes committed / approved and planned refurbishment capex.

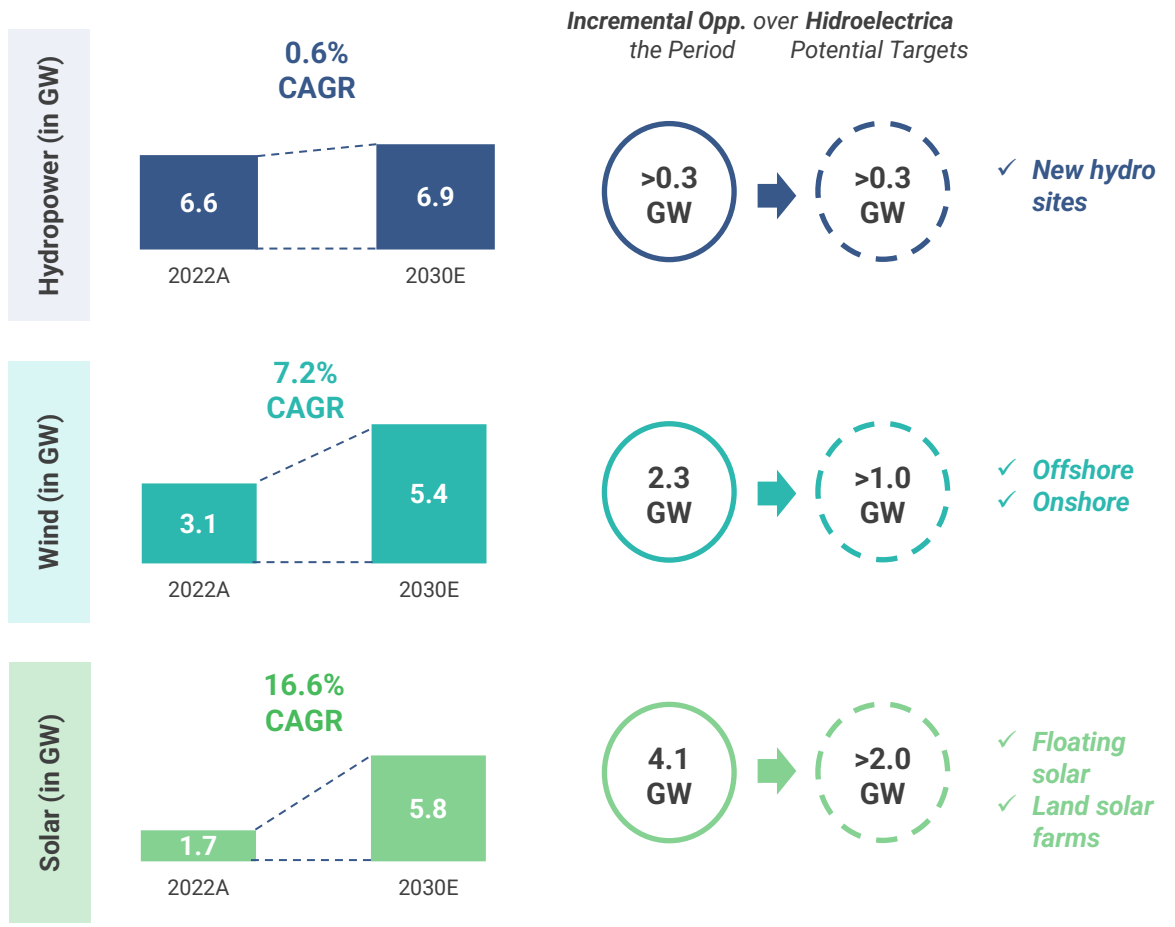
2. Relates to all refurbishment projects currently included within the business plan perimeter. However, some projects will only complete after 2027E.

4

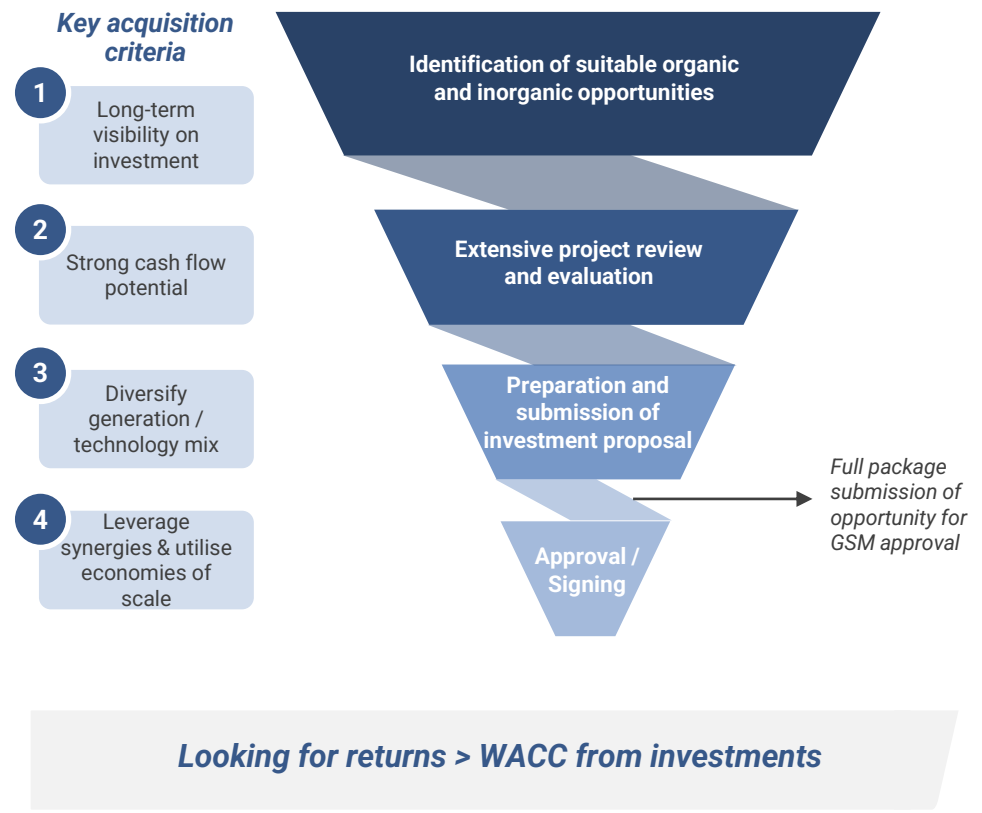
Renewable Growth Opportunities



Clear Growth Trajectory Across Multiple Renewable Technologies...

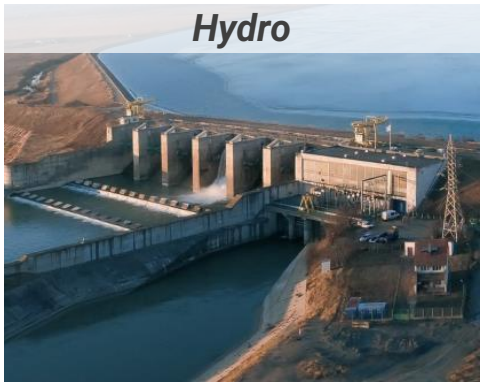


... with systematic and disciplined investment approach

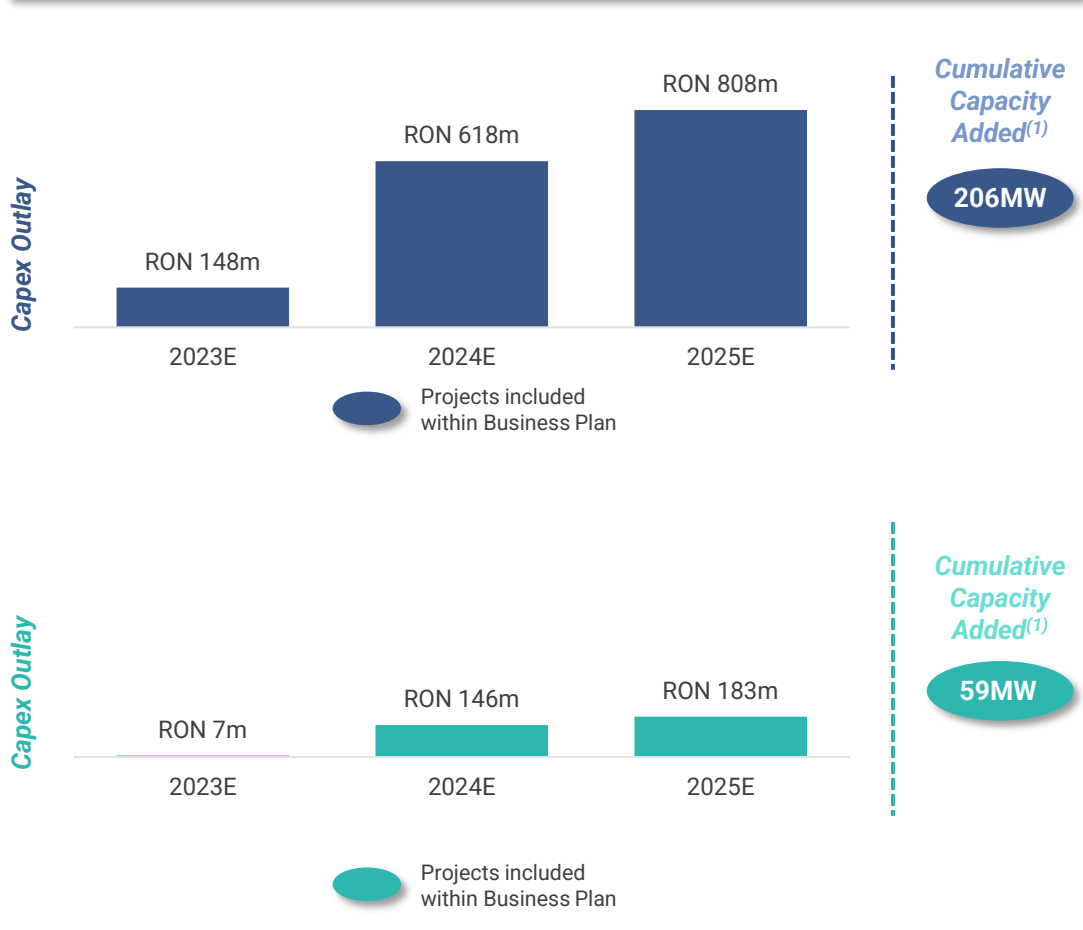


4

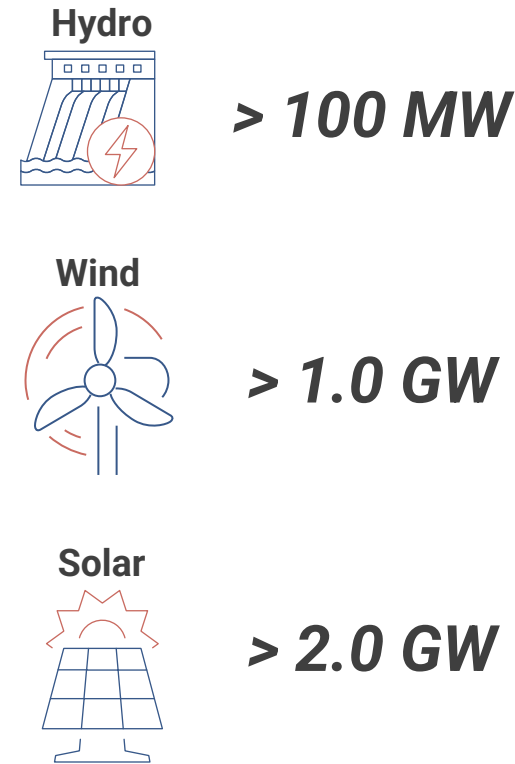
Pipeline Summary



Opportunities included within Business Plan



Potential Opportunities Outside of the Business Plan

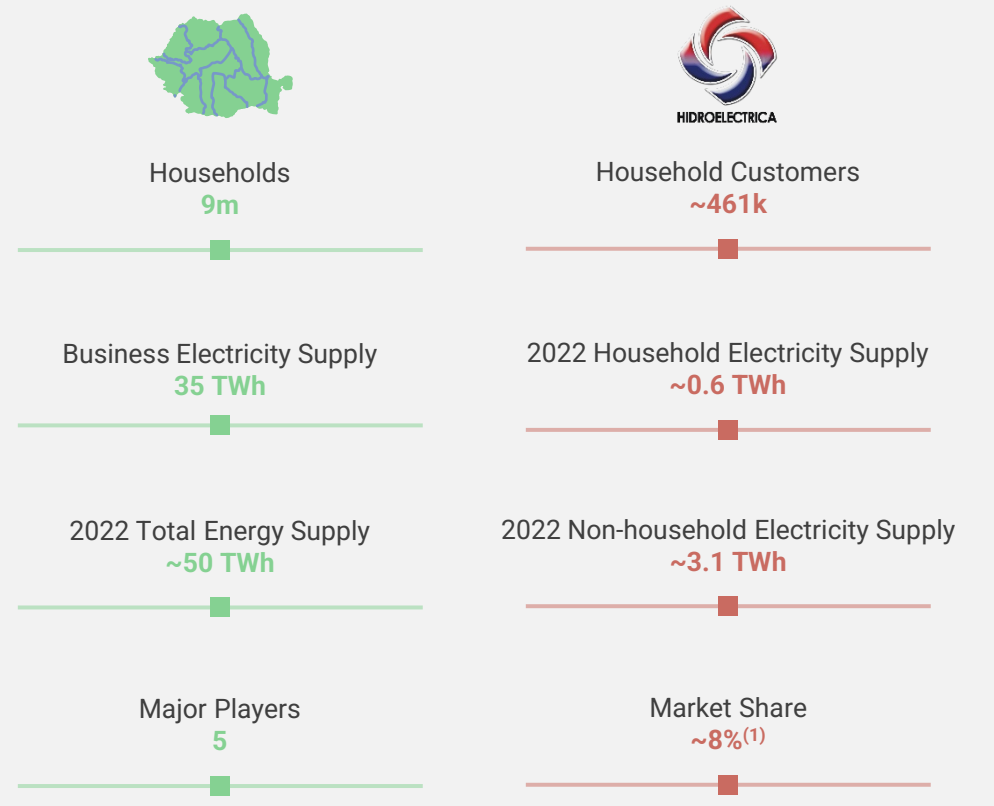


Source: Company information
1. Reflects total cumulative capacity added from new projects by 2027E.



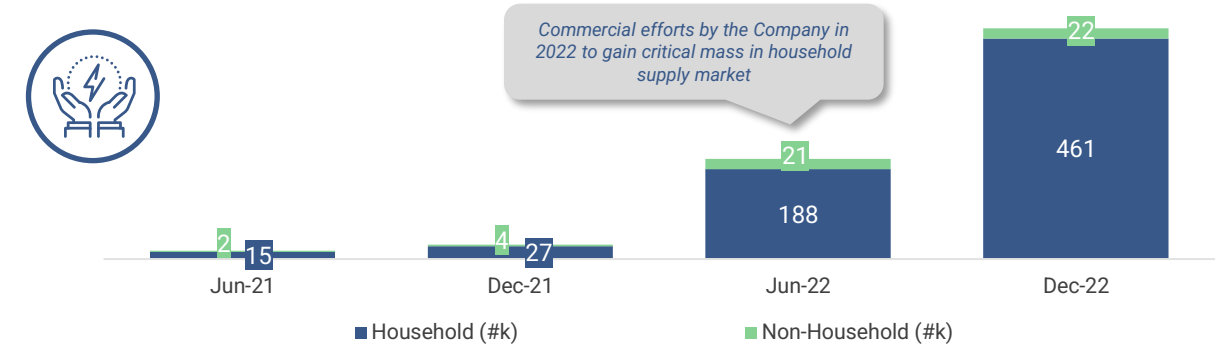
Excellent Recent Track Record, Poised for Future Growth

Current Market Snapshot

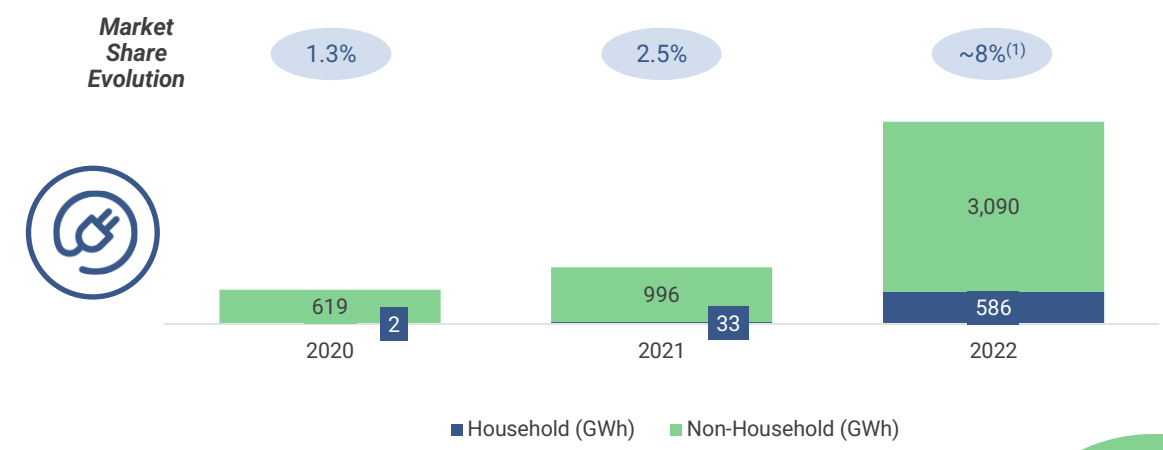


Hidroelectrica has Overseen Significant Growth in its Retail Supply Business

Household and Non-household Customers (2021-2022)

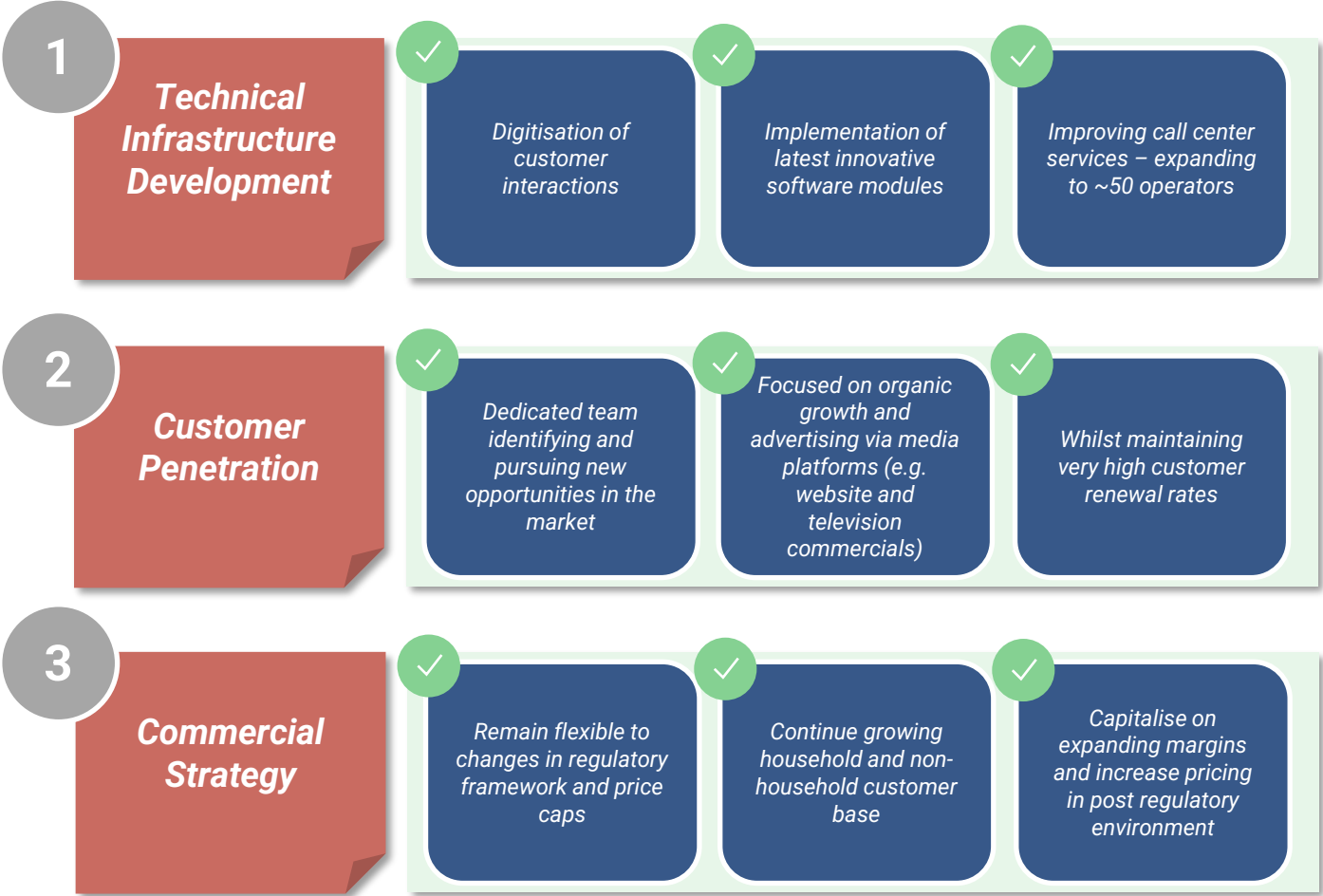


Electricity Delivered (GWh)

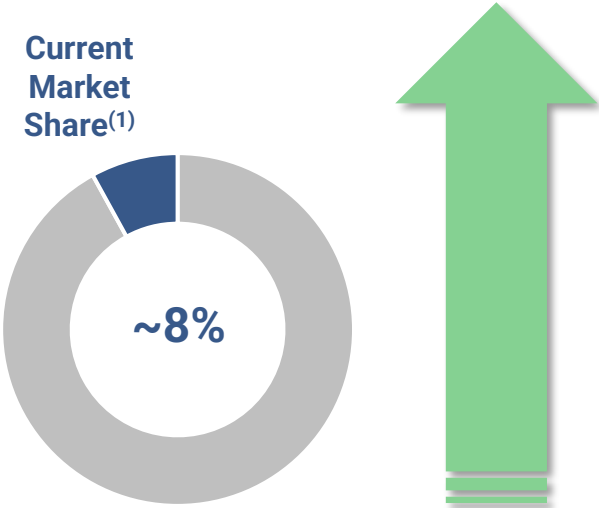


Source: Company information, ANRE
1. As at November 2022 per ANRE report

Clear Strategy to Leverage Existing Route to Market and Expand Market Share



Clear strategy to grow share in supply market



Source: Company information, ANRE
1. Market share as at December 2022 per ANRE report



HIDROELECTRICA

05

Financial Highlights and Outlook



5

A Leading Hydro Company Built on Robust Fundamentals...



Strong Financial Profile and Growth

- Highly cashflow generative
- Long useful life and outstanding asset management
- High cash generation due to low maintenance Capex requirements
- Low leverage in the capital structure
- Performance supported by the current power prices have yielded a c.57% CAGR in revenues and an EBITDA margin of c.67% on average since 2020
- Strong base to support accelerated growth



Ability to Deliver Value

- Ideally placed to capture hydro expansion due to incumbent hydro position and other renewable sources
- Proven synergistic M&A track record
- Stringent investment approval process
- ESG: maximizing positive impact of projects
- Low risk business model



Conservative Capital Structure

- Financial flexibility towards capital deployment
- Diversified funding sources
- Prudent financial policies
- Supportive bank group and leverage capacity to fund new projects



Attractive and Sustainable Shareholder Returns

- Attractive shareholder remuneration with ordinary dividend pay-out ratio of ~91%⁽¹⁾, with cumulative pay-out including special dividend at ~143%⁽¹⁾ since 2020
- Cumulative dividends paid in the last 3 years amounted to RON 8.1BN

Notes: All financial data based on audited IFRS financials

1. Ratio calculated on Net Income of local GAAP individual financial statements of S.P.E.E.H. HIDROELECTRICA S.A.

...With a Solid Financial Profile Paving the Way for Success...

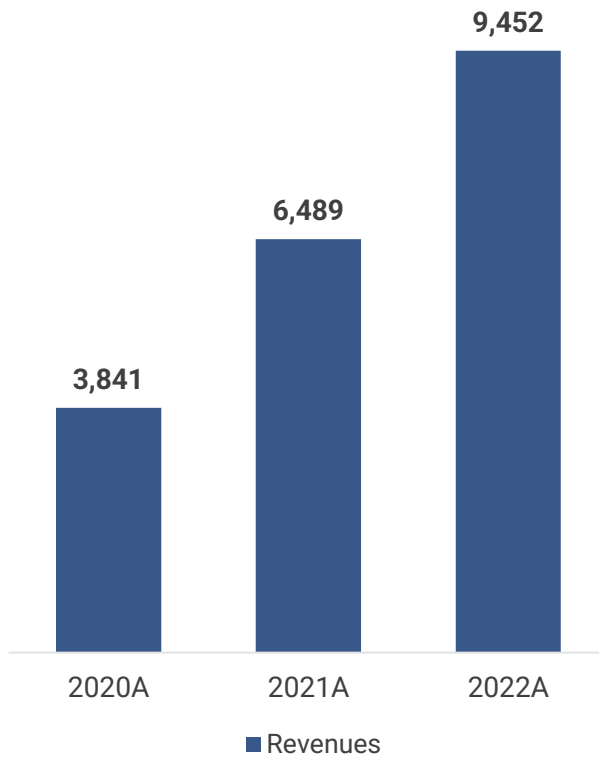
Sustainable Revenues

Revenues (RON MM)

YoY Growth Rate

68.9%

45.7%



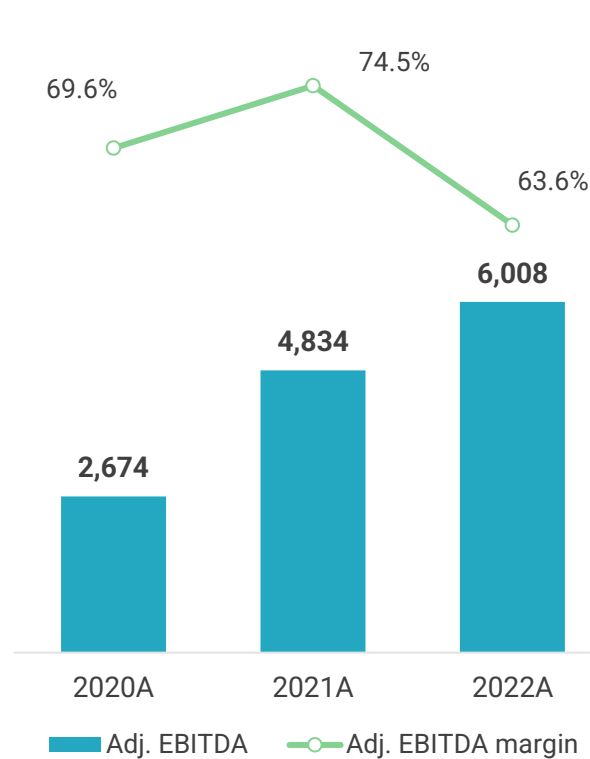
...With High Adjusted⁽¹⁾ EBITDA Margins...

EBITDA (RON MM)

69.6%

80.8%

24.3%



...Driving Strong Cash Generation

Operating Cash Flow⁽²⁾ (RON MM)

85.2%

83.7%

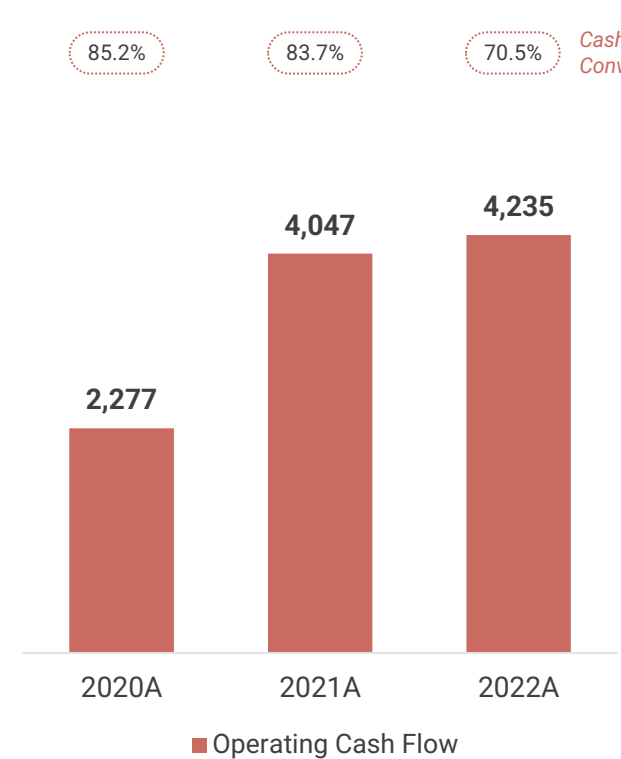
70.5%

Cash
Conversion⁽³⁾

85.2%

77.8%

4.6%



Notes: All financial data based on audited IFRS financials

1. Adjustments include Impairment loss on property, plant & equipment and Gain from bargain purchase of subsidiaries

2. Please refer to the Appendix for the reconciliation

3. Operating Cash Flow / Adj. EBITDA. Operating Cash Flow defined as net profit + adjustments for non-monetary items – working capital movements

...And High-Quality Assets to Deliver Strong Operating Performance



Generation

- ✓ FY21 includes 0.2 TWh addition from the acquisition of Crucea mid-year, which would be 0.3 TWh on a full year basis
- ✓ Hydro production decreased in 2022A due to decreased hydrology, due to exceptionally dry year

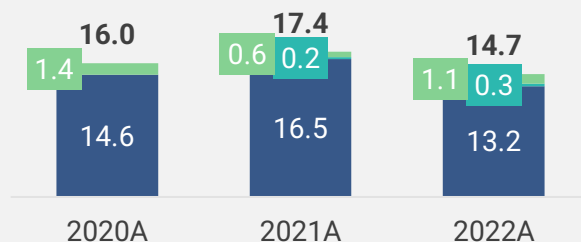
Hydro Unit Availability (%)

- ✓ Hidroelectrica's portfolio shows a solid and consistent track record of high availability across the years, demonstrating a robust performing asset base

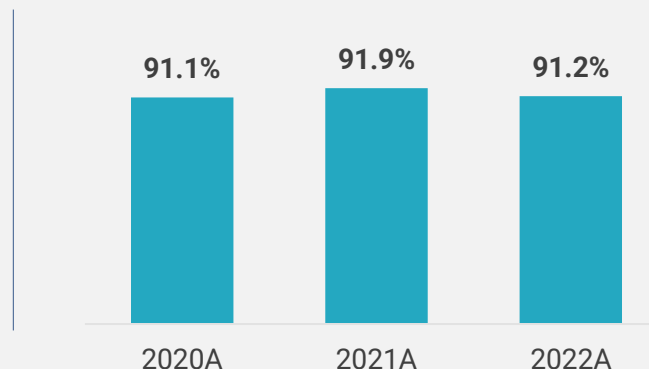
Supply Volumes

- ✓ Supply volumes increased by c.5.9x between 2020A and 2022A due to high demand for Hidroelectrica's services
- ✓ Supply has been expanding as part of management focus to diversify generation through expansion into other segments
- ✓ The market share as at end of December 2022 was ~8% for Supply

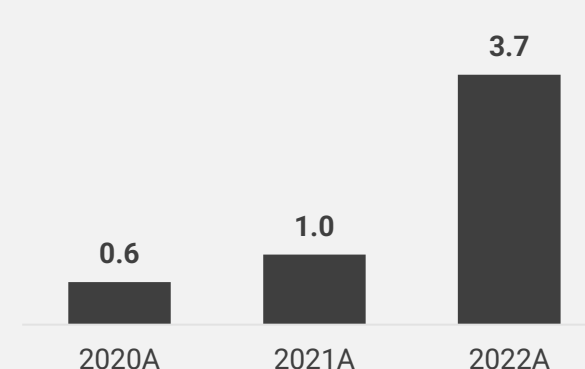
■ Energy Acquisition (TWh)
■ Wind Production (TWh)
■ Hydro Net Generation (TWh)



■ Hydro Unit Availability⁽¹⁾ (%)



■ Electricity Delivered to Final Customers (TWh)



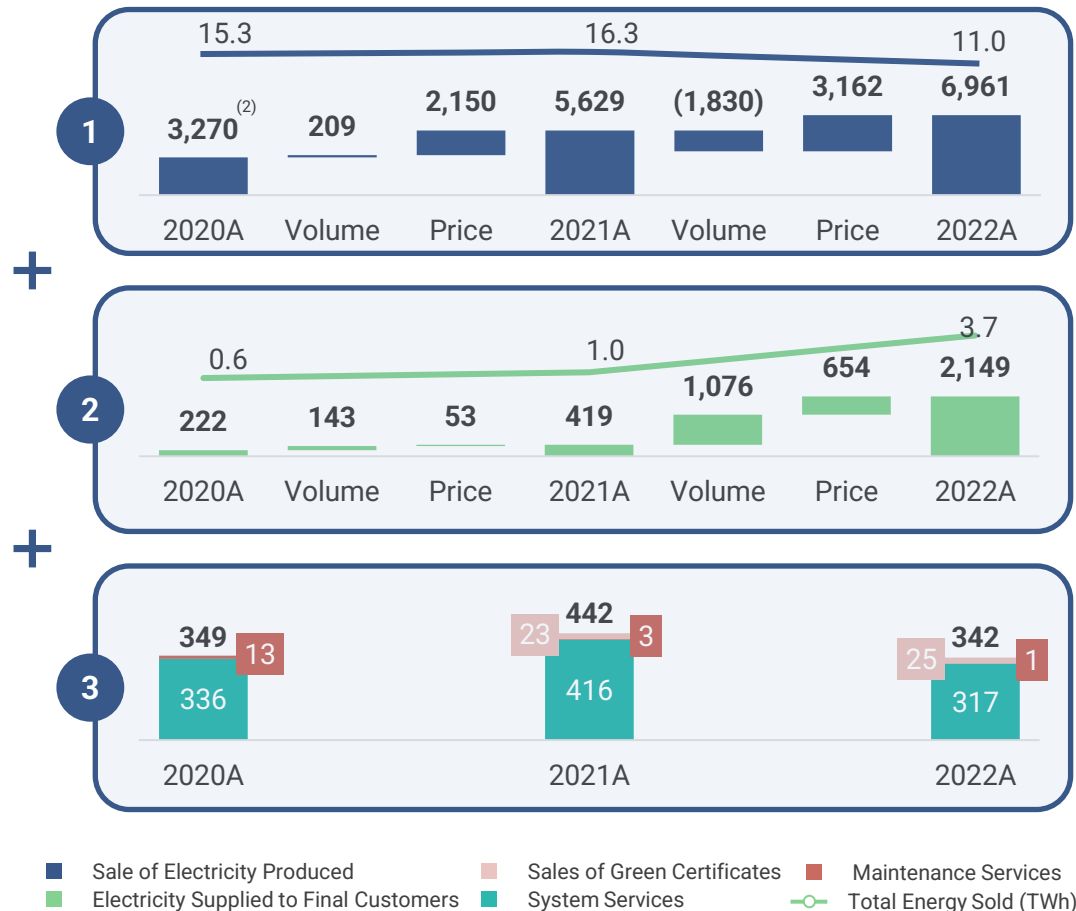
Source: ANRE Electricity Market Monitoring Reports

Notes: All financial data based on audited IFRS financials

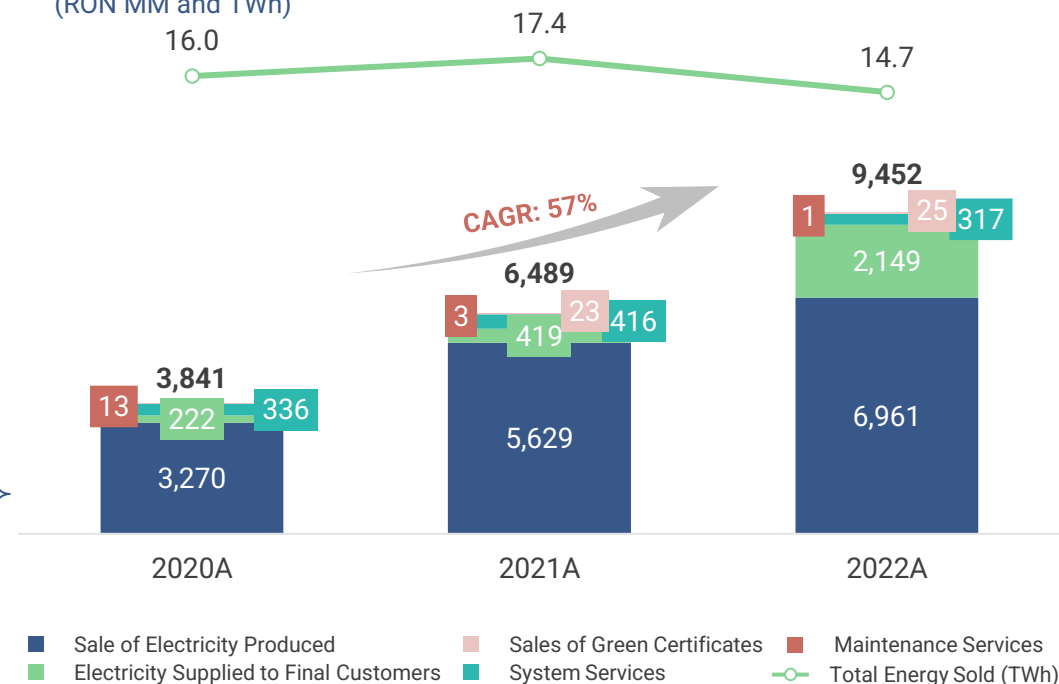
1. Average availability for plants >4MW within Hidroelectrica's portfolio

Strong Revenue Growth Driven By Power Prices and Diversification...

Total Revenues (RON MM) and Total Energy Sold (TWh)



Strong Revenues Growth Historically (RON MM and TWh)



- ✓ Strong revenue growth driven by electricity generation (74%⁽¹⁾) and supply revenue (23%⁽¹⁾), with a robust asset base providing visibility in future revenues generation
- ✓ Total energy sold in 2022A is c.2.7TWh lower compared to the 2021A due to limited rainfall which contributed to reduced water flows
- ✓ However, revenues have been demonstrating strong growth trajectories from 2020A-2022A (57% CAGR) driven by higher wholesale power prices in Romania

Notes: All financial data based on audited IFRS financials

1. 2022 electricity generation and supply revenues as a percentage of total revenues

2. Includes c.3.2TWh sold on the regulated market and TG at 109.45 RON/MWh, which was below merchant prices at the time

5

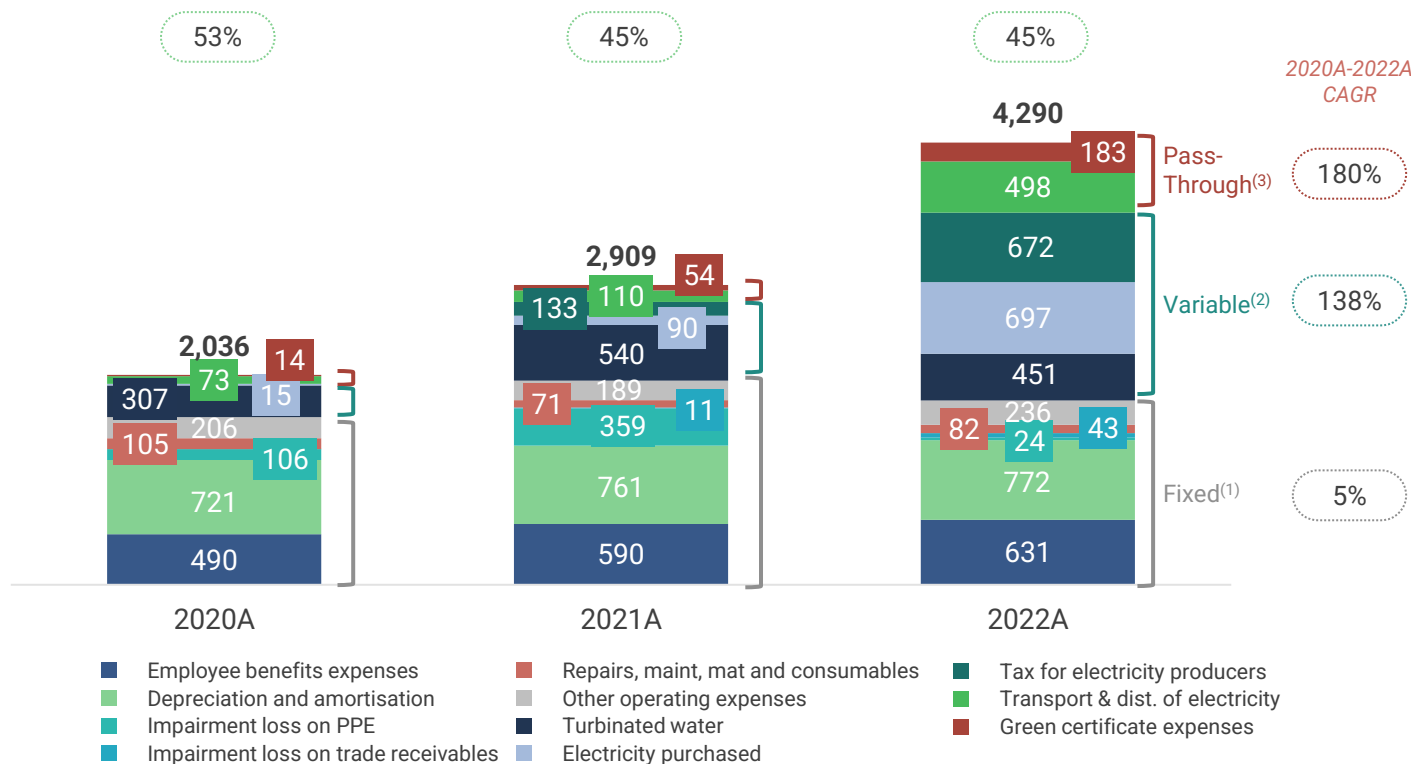
...With a Cost-Efficient Organisation to Achieve Strategic Objectives and Optimize Processes



Operating Costs as a Proportion of Revenue

Operating Expenses (RON MM)

% of Revenues



Highlights

- ✓ Despite recent higher inflationary environment and introduction of windfall taxes, operating costs as a % of revenues have not materially increased, demonstrating the Company's prudent approach in cost management
- ✓ Purchased electricity, electricity T&D costs and windfall taxes have been the main drivers of cost increases in 2022A, as a result of Europe's ongoing energy crisis
- ✓ Hidroelectrica's Opex excellence and conservative cost approach extends asset life and value, while ensuring quality, safety and risk control

Notes: All financial data based on audited IFRS financials

1. Includes costs related to employee benefits; depreciation and amortisation; impairment loss on property, plant and equipment; impairment loss on trade receivables; repair, maintenance, materials and consumables; and other operating expenses

2. Includes costs related to turbinated water; electricity purchased; and tax for electricity producers

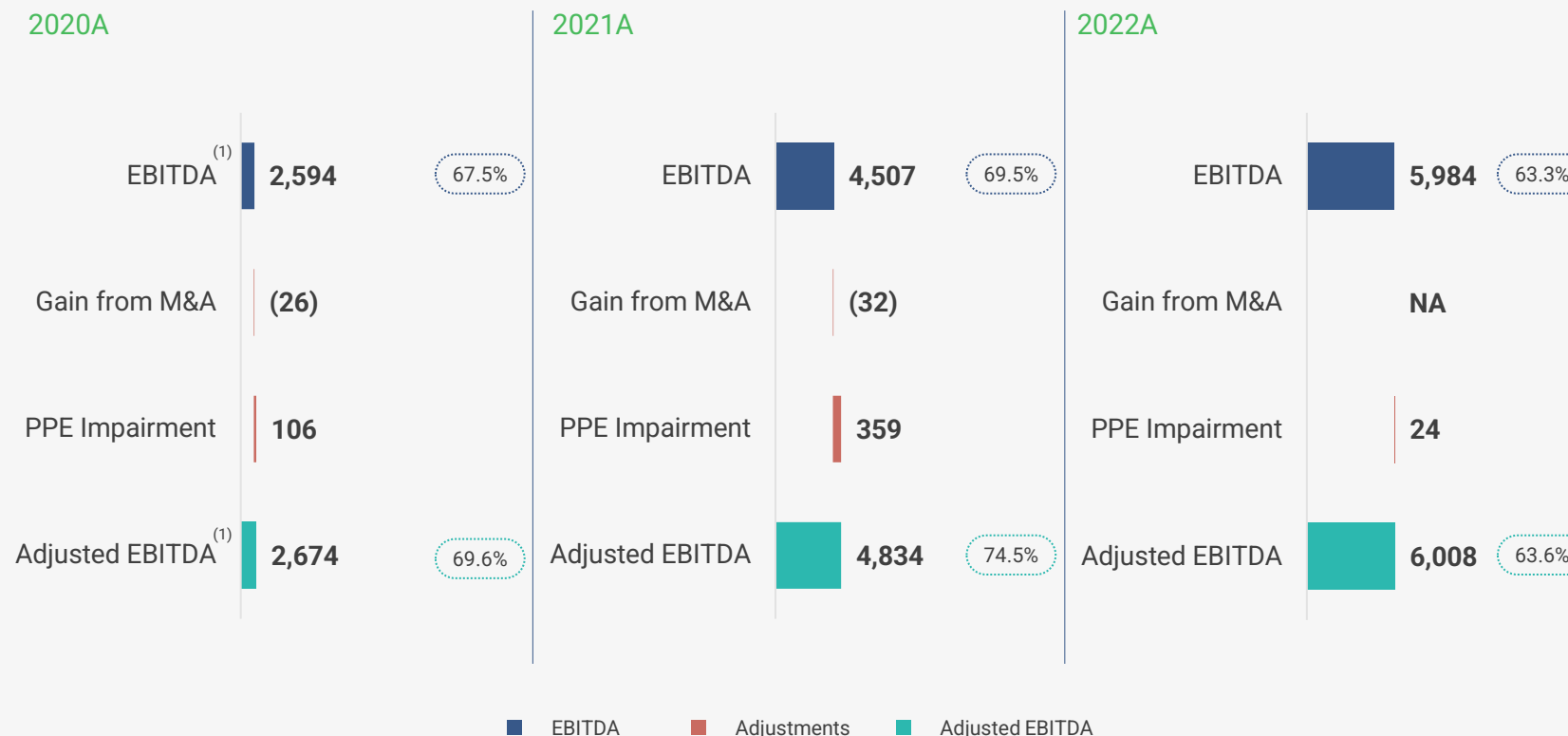
3. Includes costs related to transport and distribution of electricity; and green certificates sold

5

Significant EBITDA Growth Mainly Driven by Supportive Energy Landscape

EBITDA Bridge

(RON MM)



Highlights

- ✓ Growth driven by:
 - Increased power prices
 - Scale up in Supply market share
 - Increased capacity
 - Controlled cost base
- ✓ 2022A margin erosion primarily driven by:
 - Low hydrology
 - Fixed cost base
 - Larger contribution of Supply

Notes: All financial data based on audited IFRS financials

1. Includes c.3.2TWh sold on the regulated market and TG at 109.45 RON/MWh, which was below merchant prices at the time

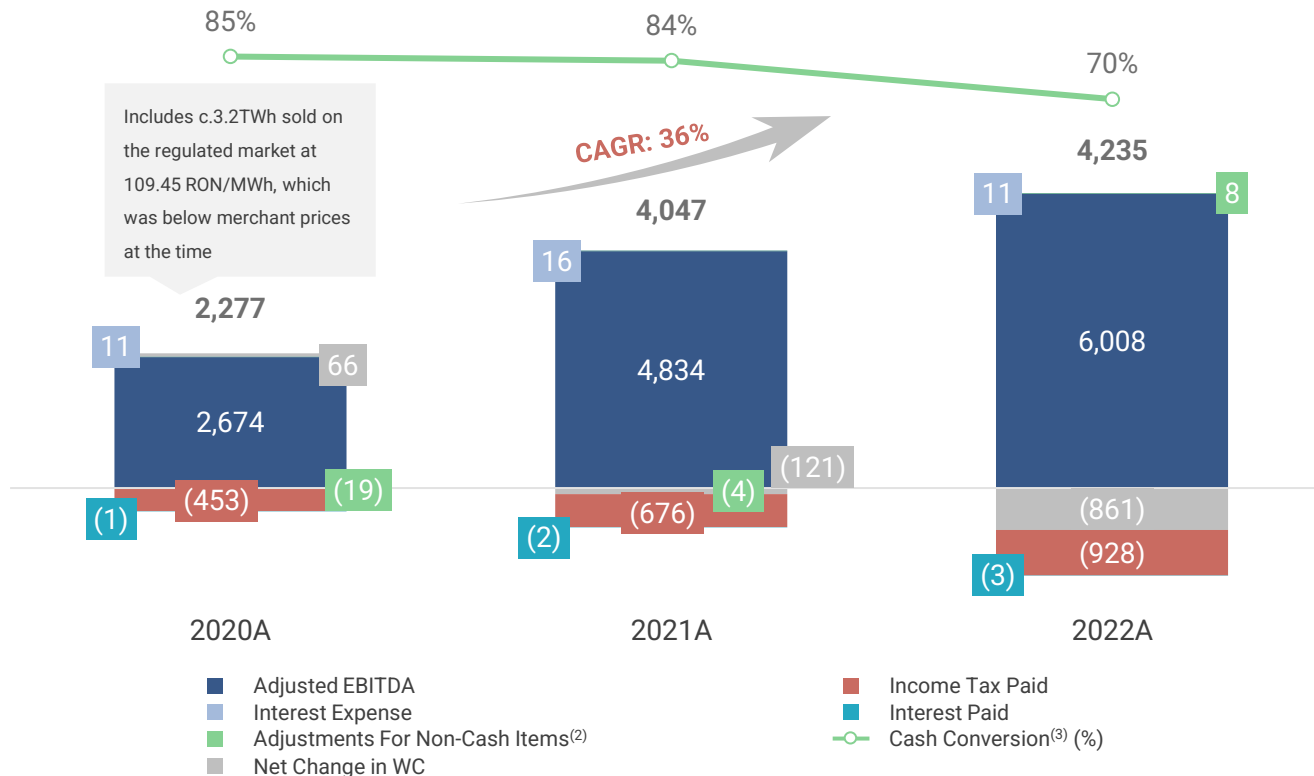
5

Attractive Cash Flow Generation Benefiting from Hidroelectrica's Position as #1 Electricity Producer in Romania



Attractive Cashflow Generation

Operating Cash Flow⁽¹⁾ (RON MM) and Cash Conversion⁽²⁾ (%)



Highlights

- ✓ Strong financial profile based on large hydro generation capacity, long useful asset life and high efficiency plant management
- ✓ Strong cashflow generative business, benefiting from attractive tailwinds due to the current energy landscape and Hidroelectrica's position as the #1 electricity producer in Romania
- ✓ Double digit operating cash flow growth (CAGR of 36%) and high levels of cash conversion (~80%) in the past 3 years

Notes: All financial data based on audited IFRS financials. Individual figures may not add-up to the sum due to rounding. Refer to the appendix for a detailed breakdown of Operating Cash Flow

1. Operating Cash Flow defined as adjusted EBITDA + interest expense + adjustments for non-monetary items - working capital movements - income tax paid - interest paid as per cash flow statement

2. Adjustments for Non-Cash Items includes unwinding of non-current provisions; interest expense (notes); impairment loss on trade receivables; write-down of inventories; loss on disposal of property, plant and equipment; and net foreign exchange loss

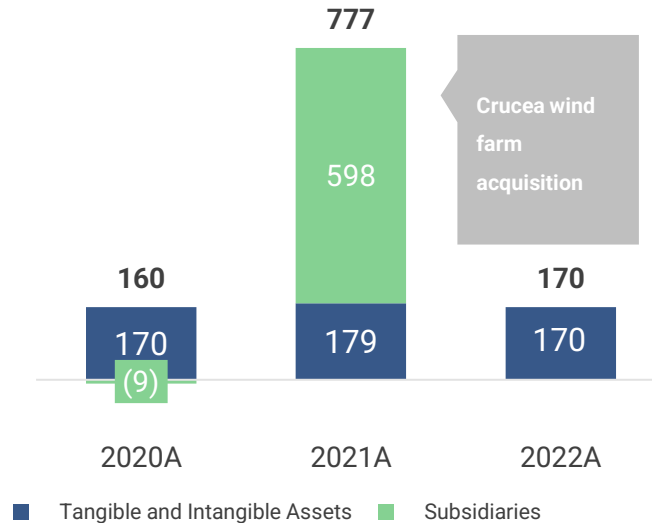
3. Cash Conversion defined as Operating Cash Flow / Adj. EBITDA

5

Investment Strategy Underpinned By Strong Organic Growth, Asset Refurbishment Strategy and Asset Diversification

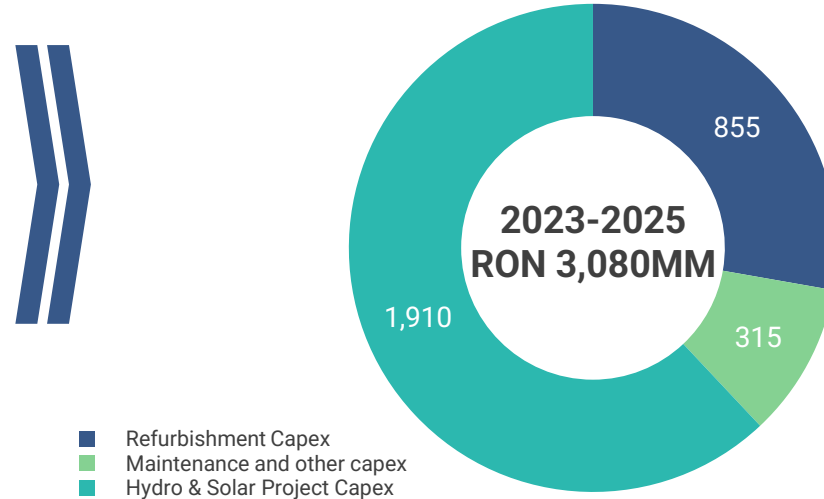
Historical Capex

Historical Capex (RON MM)



Investment Plan To Deliver Future Growth

2023-2025 Investment Strategy (RON MM)



- ✓ Well invested portfolio with significant economies of scale to maintain high availability and efficiency, driving low and predictable future capex spend
- ✓ Historically, tangible and intangible assets capex spend has been consistently low (c. RON 173 MM pa between 2020A-2022A), due to the intrinsic nature of hydro assets
- ✓ Crucea wind farm acquisition reflected in 2021, with 2022 being the first year of full consolidation of Crucea's financial results

Hidroelectrica's ambitious investment plan focuses on three pillars:

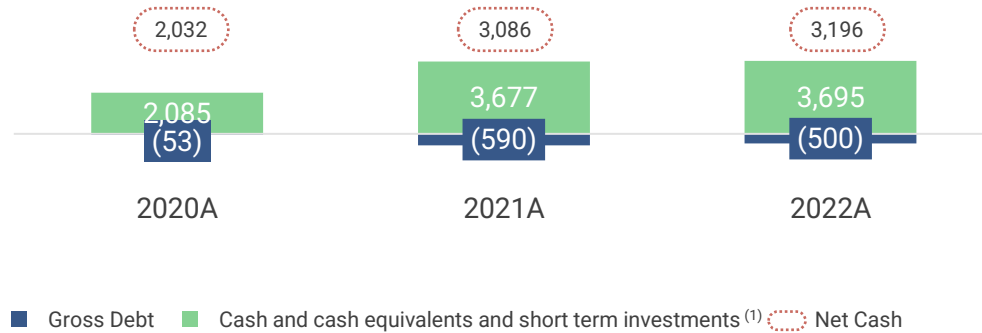
- ✓ Maintaining the robust performance of the existing asset base, through modernisations and refurbishments, whilst targeting predictable and consistent performance
- ✓ Pursue significant portfolio expansion and diversification across multiple renewable technologies, targeting attractive returns
- ✓ Growing our energy supply market share organically by accelerating development activities, diversifying our power selling capabilities

5

Conservative Capital Structure and Solid Long-term Relationships with Banks Ease the Procurement of Funds to Enable Growth

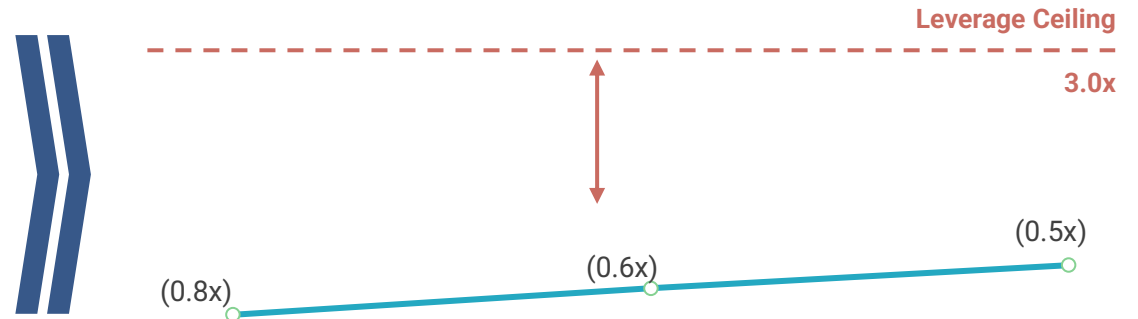
Strong Net Cash Position...

(RON MM)



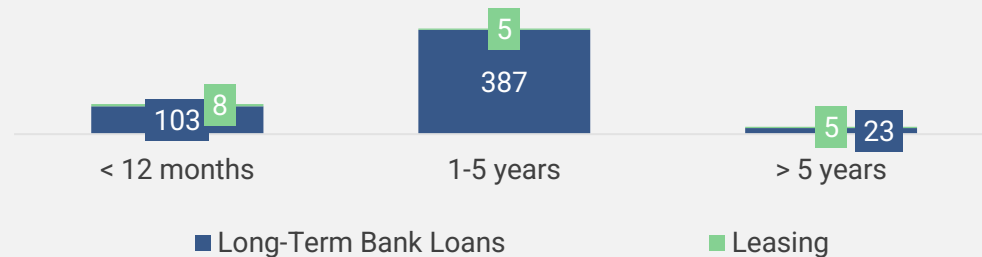
... Resulting in a Conservative Capital Structure

Net Debt / (Cash) to Adjusted EBITDA



Debt Repayment Profile

(RON MM)



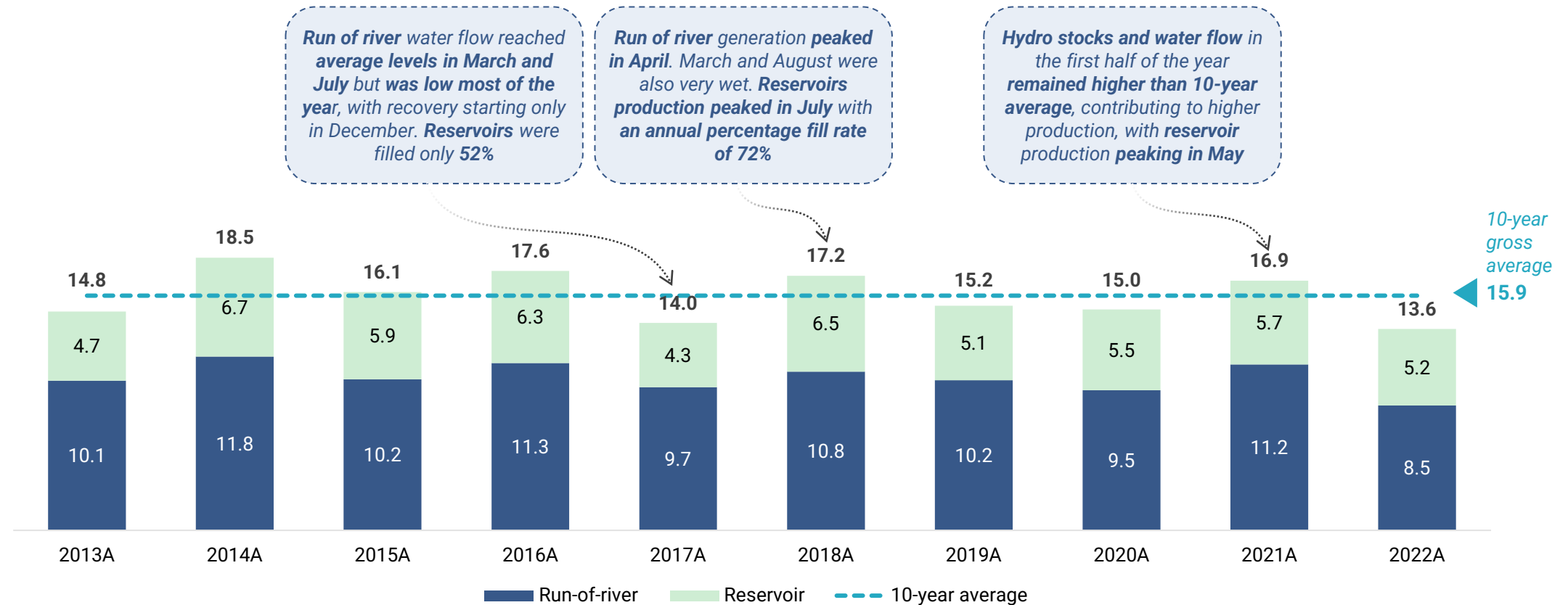
- ✓ Long-term relationships with supportive bank group and ability to raise capital at competitive rates
- ✓ Credit line, with exposure to EUR only, for up to RON 1.25BN, of which only half has been drawn; maturity in 2028
- ✓ Future CAPEX requirements will be funded with debt and cash on balance sheet

5

Historical Variations in Hydrology...

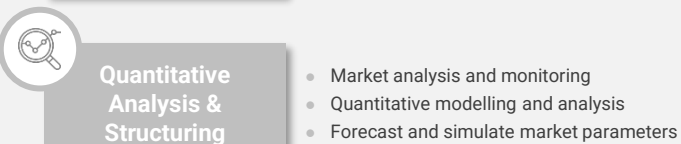
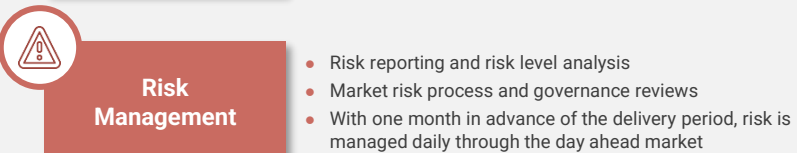
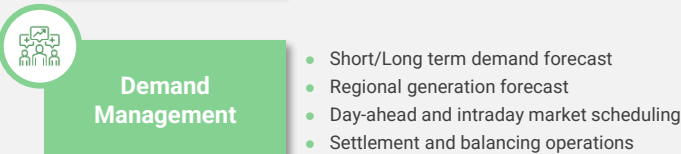
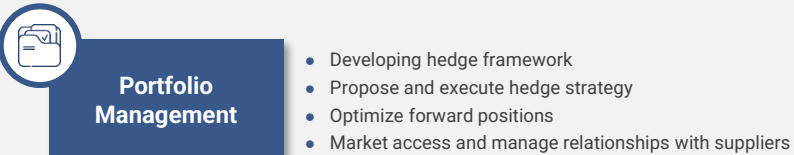
Hydrological Conditions are Particularly Important Given Impact on Energy Output Levels

Hidroelectrica Annual Gross Hydro Production (TWh)



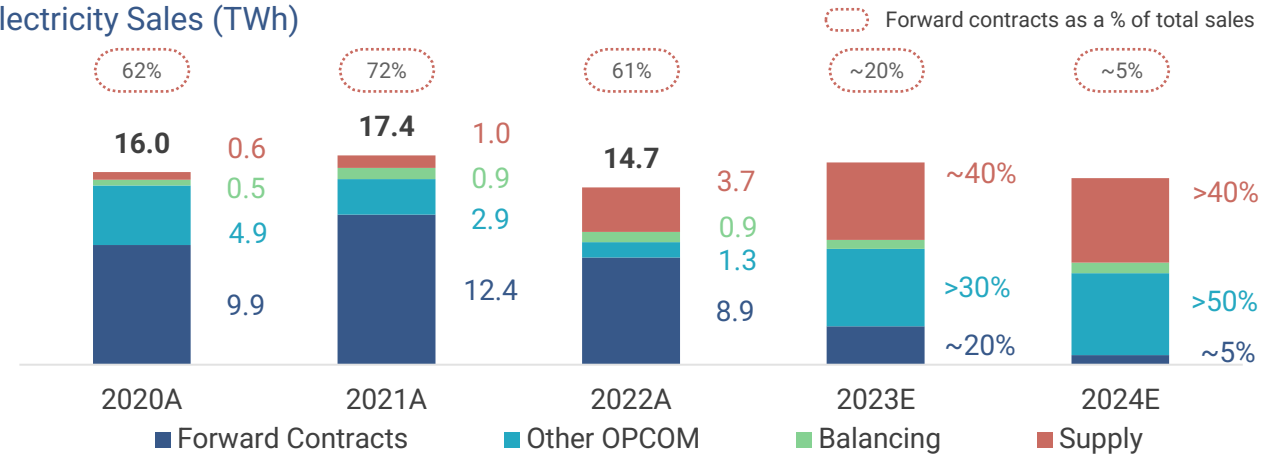
...Managed By Prudent Hedging Strategy Contributing to Operational Excellence

Proven and Resilient Hedging Strategy

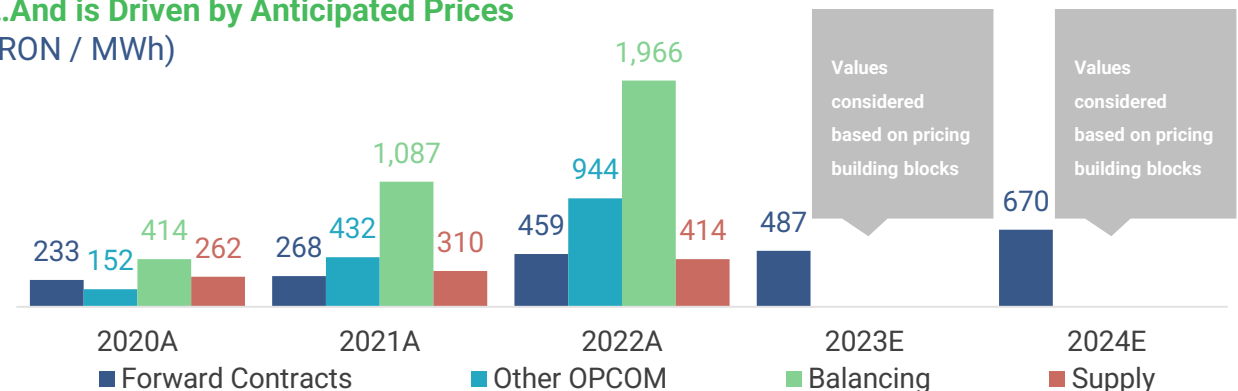


Hedging is Reflected in Prudent Volumes Sold via Forward Contracts...

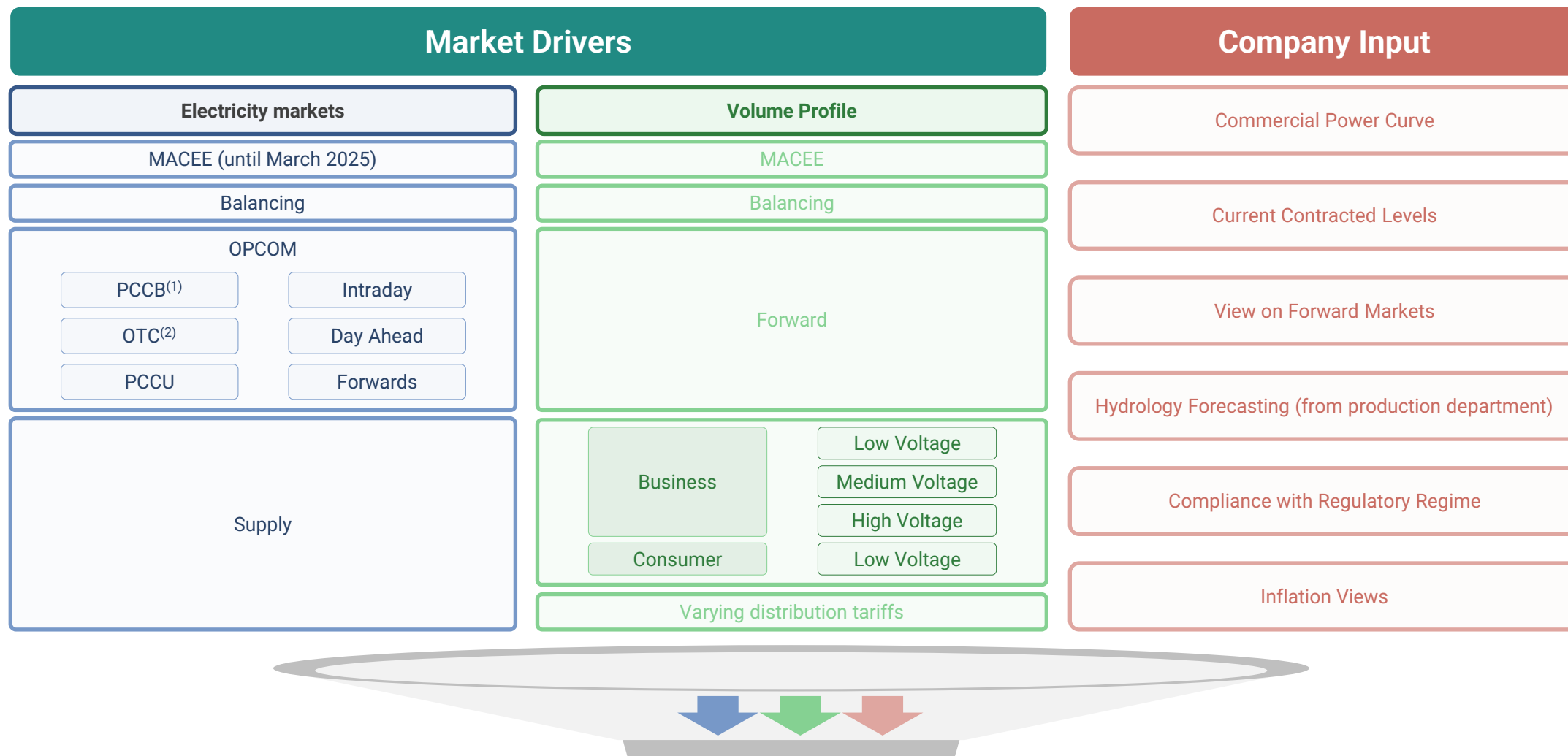
Electricity Sales (TWh)



...And is Driven by Anticipated Prices (RON / MWh)



Price Forecasting Building Blocks

**Notes:**

1. Competitive bilateral electricity contracts
2. Over the counter

5

Historical Revenue Build-up



		2020	2021	2022
Total Production	TWh	14.6	16.7	13.5
External Acquisitions	TWh	1.4	0.6	1.1
Generation Energy Sold	TWh	16.0	17.4	14.7
Balancing	TWh	(0.5)	(0.9)	(0.9)
Sales to Supply	TWh	(0.6)	(1.0)	(3.7)
Generation Energy Sold	TWh	14.8	15.4	10.2
OPCOM Price	RON / MWh	206	300	519
OPCOM Revenues	RONm	3,064	4,610	5,264
Other Ancillary Revenues	RONm	349	442	342
Balancing Volumes	TWh	0.5	0.9	0.9
Balancing Price	RON / MWh	414	1,087	1,966
Balancing Revenues	RONm	206	1,019	1,696
Ancillary Generation Revenues	RONm	556	1,461	2,039
Supply Volumes	TWh	0.6	1.0	3.7
Supply Prices (ex pass through)	RON / MWh	262	310	414
Supply Revenues	RONm	164	319	1,523
Pass Through Revenues	RONm	58	100	626
Pass Through %	%	36%	31%	41%
Total Supply Revenue	RONm	222	419	2,149
Revenue	RONm	3,841	6,489	9,452

Mid-Term Financial Outlook (1/2)

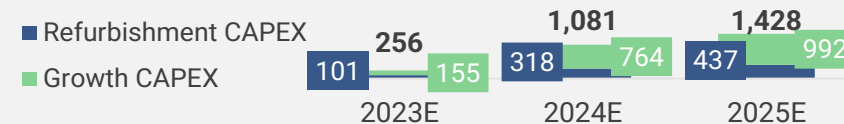
Energy Produced and Sold	<ul style="list-style-type: none"> FY23 net production has the potential to reach 16.3TWh in FY23, benefitting by favourable hydrology in FY23 to date Thereafter, we assume average net production (before impact of refurbishments) of 15.9TWh from FY24, including stable existing hydro generation of 15.6TWh, in line with last 10 year average observed, rising to 16.5TWh from 2027 onwards as a result of growth Capex incurred in the period <ul style="list-style-type: none"> For the existing powerplants long-term average of 15.6TWh of hydrology per annum confirmed by third-party technical advisors Management constructs the annual budget with a discount of 5% to total hydrology, given it is an exogenous factor, to better prepare for down-side risks, and to keep in line with its internal policy on budgeting From FY24 onwards we expect our refurbishment programme to temporarily reduce average net generation by c.0.3TWh p.a. due to availability losses Between 1.0TWh and 1.7TWh planned to be acquired externally each year Supply volumes planned to grow 75% in FY23, thereafter steadily increase towards target of 8TWh in FY27 Balancing volumes expected at c.0.7TWh for FY23 to account for a mild winter, and at c.0.9TWh thereafter, in line with prior years, not expected to go above 1,300 RON / MWh
Revenues	<ul style="list-style-type: none"> OPCOM price constitute a blend of average price achieved on several markets we sell energy on and are forecast to decrease by low single digits % in next two years, thereafter grow by c.20% in FY25 as they revert back to merchant Supply prices are planned to have an additional margin in low double digits on top of OPCOM, trending downwards to mid single digits by FY27, with pass through costs planned to stay unchanged as a proportion of net revenue as in FY22 Ancillary revenues planned to revert to FY21 levels
Windfall Tax	<ul style="list-style-type: none"> Under current regulatory environment, our guidance does not consider windfall taxes, as generators that are also suppliers are taxed on a weighted average effective price that includes internal transfer price We note that in Q1 2023, the average prices achieved were higher than expected, which led to a simultaneous uplift in revenues and tax expense for this year
EBITDA	<ul style="list-style-type: none"> Adjusted EBITDA margin to be in the mid 60s in line with FY22

Mid-Term Financial Outlook (2/2)

Capex

- Maintenance and other regular Capex planned to be around RON 115m p.a.
- Refurbishment and Growth Capex planned to decrease after FY25 subject to permitting
- D&A planned to grow from current levels as the company deploys Capex

Approved Capex, RONm



Capital Structure

- Positive net cash position post IPO (IPO proceeds are secondary and do not impact cash balances)
- Maintain leverage of <3.0x in the long-term
- Potential increase in leverage to be driven by debt-funded value accretive growth projects (organic and/or inorganic)



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End Presentation

