



Societatea de Producere a Energiei Electrice in Hidrocentrale „Hidroelectrica” S.A.

Consolidated Preliminary Financial Results for 2025

**based on the consolidated unaudited financial statements prepared in accordance with
the International Reporting Financial Standards (“IFRS”) adopted by the European Union
 (“IFRS-EU”)**

26 February 2026





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Notes:

The presented financial results have not been audited or reviewed by an independent auditor and do not represent a complete set of financial statements.

The preliminary financial results are prepared and issued before the completion of the independent audit of the annual financial statements, so differences may exist between the preliminary consolidated financial results and the audited consolidated financial statements.

This report does not constitute a recommendation/offer/invitation to purchase shares issued by Hidroelectrica. This report contains consolidated-level information regarding the key operational indicators of the Hidroelectrica Group and do not guarantee the future performance of the Group. The information in this document is selective and may require updates, revisions, and modifications under certain circumstances.

Certain figures included in this Report have been subject to rounding adjustments; as a result, figures presented for the same illustrated category in different tables may vary slightly. Additionally, the figures presented as totals in certain tables may not be an arithmetic aggregation of the preceding figures. Moreover, the percentages in the tables have been rounded and, as a result, may not sum up to 100%. Calculations, variations, and other percentages may slightly differ from their actual calculations due to the rounding of underlying financial, statistical, and operational information.

This report does not contain all the information that may be necessary regarding the company and its actions. Each person who accesses this report should conduct their own analysis.

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I. Summary of 2025 Report

Hidroelectrica Group recorded in 2025 operational and financial results roughly 10% above the levels estimated in the 2025 Budget, although compared to 2024 they are 20% lower, due to less favorable annual hydrological conditions, which significantly impacted hydropower generation and, consequently, the total volume of energy available for sale.

In the context of the aforementioned hydrological regime, the Group's operating margin and net margin decreased by 12 percentage points (or 25%) and 11 percentage points (or 24%) respectively compared to 2024, mainly due to the reduction in the quantity of electricity sold.

- **The results achieved in 2025 exceed the expectations set in the revised Budget approved for 2025, due to better hydrology and higher production in Q4 2025**
- **Revenues increased by 5% compared to 2024**
- **Accelerated CAPEX growth in 2025, by 32% compared to 2024, to 781 million RON in 2025**
- **Electricity production was 14% below the 2024 level**
- **Operating margin of 38%, 12 percentage points below the 2024 level**
- **Net margin of 34%, 11 percentage points below the 2024 level**
- **Net profit of 3,303 million RON, 20% below 2024, but 10% above the revised budget**
- **Earnings per share of 9.19 RON, 20% below 2024 (7.34 RON), but 10% over the budget**

Standalone Financial indicators*	<i>RON million</i>		
	FY 2025 Actual (unaudited)	FY 2025 Budget	Degree of achievement (%)
Total Revenue	10,110	9,969	101%
Operating income	9,783	9,671	101%
Financial income	327	299	109%
Total expenses	6,262	6,458	97%
Operating expenses	6,165	6,360	97%
Financial expenses	97	98	99%
Profit before tax	3,848	3,511	110%

**The indicators are calculated according to the budget forms of Order 3818/2019 and are aligned with the indicators presented in the form S1040 - Annual accounting reporting to ANAF, prepared at the level of Hidroelectrica SA.*

Source: Hidroelectrica

The income and expenses budget and the financial indicators are presented on a standalone basis.



Operational KPIs		2025	2024	Change (%)
Gross electricity production, out of which:	GWh	12,215	14,224	-14%
Electricity production from hydro (gross)	GWh	11,945	13,928	-14%
Net electricity production, out of which:	GWh	11,847	13,864	-15%
Electricity production from hydro (net)	GWh	11,585	13,576	-15%
Electricity production from wind	GWh	262	288	-9%
External Acquisition GWh	GWh	2,209	802	175%
Total Electricity sales GWh	GWh	14,056	14,666	-4%

Source: Hidroelectrica

Financial KPIs (consolidated)		FY 2025 (unaudited)	FY 2024 (audited)	Change (%)
Revenue	RON million	9,619	9,123	5%
EBITDA	RON million	4,579	5,503	-17%
EBITDA Margin	%	48%	60%	-21%
Adjusted EBITDA	RON million	4,834	5,542	-13%
Adjusted EBITDA Margin	%	50%	61%	-17%
Operating Margin (Operating Profit/Revenues*100)	%	38%	50%	-25% (-12pp)
Net Margin (Profit for the period/Revenues*100)	%	34%	45%	-24% (-11pp)
Operating Profit	RON million	3,651	4,588	-20%
Net Profit	RON million	3,303	4,128	-20%
Earnings per share	RON/share	7.34	9.19	-20%

Source: Hidroelectrica

In 2025, Hidroelectrica's results were influenced by the decrease in electricity generation and in the volume of electricity sold, as well as by the reduction in both volumes and prices on the balancing market in Romania.

The results for the full year 2025 were significantly affected by the declines recorded in the first nine months of the year, which had a major contribution to the overall decrease in 2025. The hydrological conditions limited the Group's production capacity to such an extent that 2025 registered the lowest hydro energy production in Romania's history.

Although selling prices increased compared to 2024 — both on the wholesale markets and in the supply segment — these increases were not sufficient to fully offset the prolonged drought experienced in Romania.

The financial indicators are calculated based on unaudited preliminary consolidated financial statements and may differ from the final audited results.

II. Preliminary Financial Results for 2025

1. Investment activity

	2025	2024	Increase
	RON million	RON million	%
Development Project CAPEX	209	102	105%
Refurbishment CAPEX	428	270	59%
Maintenance CAPEX	113	83	36%
Standalone equipment and machinery	31	16	94%
Other investments (Acquisition of UCMH)	-	120	-
TOTAL INVESTMENTS	781	591	32%

Source: Hidroelectrica

During the period under review, total investments increased by 32%, from RON 591 million to RON 781 million, reflecting the consistent implementation of the Company's development, modernization and diversification strategy.

The evolution was primarily driven by higher investments in development projects, which more than doubled (105%, reaching RON 209 million), as well as by the intensification of refurbishment programs (59%, to RON 428 million). At the same time, maintenance investments increased by 36%, to RON 113 million, while investments in equipment and independent machinery nearly doubled (94%, to RON 31 million), highlighting the acceleration of the investment program and the strengthening of the operational base to support medium- and long-term performance.

From a strategic perspective, these investments contribute to reinforcing the Company's role in ensuring the stability and resilience of the National Energy System, in a context where flexibility and production balancing are becoming essential for Romania's energy security. The investment direction pursued reflects the Company's commitment to infrastructure modernization, the integration of efficient technologies and the creation of sustainable long-term value.

2. Financial Indicators

The financial indicators are calculated based on unaudited preliminary consolidated financial statements and may differ from the final audited results.

Indicators	RON million		
	FY 2025 (unaudited)	FY 2024 (audited)	Change (%)
Revenue	9,619	9,123	5%
EBITDA	4,579	5,503	-17%
Operating Profit	3,651	4,588	-20%
Profit for the period	3,303	4,128	-20%
Basic and diluted earnings per share (RON)	7.34	9.19	-20%

Source: Hidroelectrica

Indicators	Calculation method	31 December 2025 (unaudited)
Current liquidity indicator	Current assets/Current liabilities	4.48
Degree of indebtedness	Borrowed capital/Own capital x 100	1.29
Degree of indebtedness	Borrowed capital/capital employed x 100	1.27
Receivables turnover	Average Receivable balance/Revenue x 365	63.23
Fixed assets turnover	Revenue/Fixed assets	0.49

Source: Hidroelectrica

Net Debt/ (Cash) Adjusted

RON million	31 December 2025 (unaudited)
Bank borrowings	213
Lease liabilities	72
Cash and cash equivalents	(1,188)
Short-term investments (investments in deposits)	(3,732)
Adjusted Net Debt/(Cash)	(4,635)
Adjusted EBITDA	4,834
Adjusted Net Debt/(Cash) to Adjusted EBITDA Ratio	(0.96)

Source: Hidroelectrica

3. Breakdown of revenue

		FY 2025 (unaudited)	FY 2024 (audited)	Change (%)
Generation Energy Sold (Net)	GWh	11,847	13,864	-15%
External Acquisitions	GWh	2,209	802	175%
Total Energy Sale	GWh	14,056	14,666	-4%
<i>Wholesale Energy Sold</i>	<i>GWh</i>	<i>6,347</i>	<i>8,185</i>	<i>-22%</i>
Wholesale Price	RON / MWh	553	476	16%
Wholesale Revenue	RON million	3,513	3,894	-10%
<i>Quantity of electricity-Supply</i>	<i>GWh</i>	<i>7,244</i>	<i>5,572</i>	<i>30%</i>
Supply Prices (ex pass through)	RON / MWh	476	418	14%
Supply Revenue related to active energy	RON million	3,448	2,329	48%
Transferred costs (pass through)	RON million	1,998	1,501	33%
<i>Quantity of electricity - Balancing</i>	<i>GWh</i>	<i>186</i>	<i>511</i>	<i>-64%</i>
Balancing Price	RON / MWh	1,438	1,689	-15%
Balancing Revenue	RON million	267	863	-69%
System Services (STS) Revenue	RON million	248	303	-18%
Other revenues from customer contracts, out of which:	RON million	146	231	-37%
Positive imbalances revenue*	RON million	(12)	(263)	-95%
Power reduction services revenue	RON million	55	416	-87%
Redistribution of additional revenues	RON million	51	78	-35%
Revenue	RON million	9,619	9,123	5%

* The quantity of positive imbalances recorded in 2025 is 279 GWh (2024: 399 GWh)

Source: Hidroelectrica

Net electricity produced and sold

Electricity produced and sold (net electricity production) decreased by approximately 15% in 2025 compared to 2024, with total output amounting to 13,864 GWh for the January–December 2025 period. After a start to the year marked by a sharp reduction in production — driven by unfavorable hydrological conditions and a period of severe hydrological drought, with an average Danube flow of only 4,257 m³/s in the first quarter of 2025, down by roughly 40% compared to the same period in 2024 — the company achieved a significant recovery in Q3 – Q4. This improvement was supported mainly by energy purchases and by the easing of the production decline, as well as by increased output in Q4 due to more favorable hydrological conditions.

Wholesale Revenue

During January–December 2025, the average selling price on the wholesale segment recorded a significant increase of approximately 16% compared to the same period of the previous year. This increase was driven mainly by trading on forward markets, following the elimination of the regulated MACEE mechanism as of 1 January 2025. Trading on forward markets enabled the company to secure better prices for the electricity sold, thereby helping to mitigate the impact of low hydrology on wholesale revenues. In the short term — particularly in the first quarter of 2025 — the reduction in quantities available for sale limited the company’s ability to fully capitalize on the increase in wholesale market revenues.

Even so, Hidroelectrica adapted quickly by optimizing the production–trading mix, which had a significant effect on increasing the average selling price and helped protect the commercial margin during a period of reduced volumes. This approach offset the deficit recorded in Q1, resulting in a 22% decrease in revenues from the wholesale segment compared to the same period in 2024, versus a 53% decline in Q1 alone.

Revenues from electricity supply

Revenues generated from electricity supply activities increased by 48%, reaching RON 3,448 million in 2025, compared to RON 2,329 million in 2024.

This development reflects both an expansion of the customer base and the effectiveness of adjustments made to the commercial policy under challenging competitive conditions. The revenue increase was driven by a higher volume of electricity supplied to end consumers (up 30%), combined with a 14% rise in the average supply tariff, the result of a commercial strategy adapted to market conditions and aimed at maintaining competitiveness.

Against the backdrop of declining own production, the expansion of the supply segment represents a strategic repositioning: the company is shifting from an “asset-centric” profile (high margins, hydrological volatility) to a “client-centric” profile (more stable revenues, but greater exposure to market and operational risks, and stronger integration with trading activities). The strategic significance of this shift stems from:

- Diversification of hydrological risk: a higher share of supply activities, combined with increased RES purchases when prices are favorable, reduces dependence on hydrology and seasonality. Revenues become less correlated with hydrological conditions but more exposed to acquisition prices and trading efficiency.
- Commercial anchoring: a larger customer portfolio (household and non-household) ensures recurring demand and long-term negotiating power, facilitating forward contracting and optimization of the average cost of energy.
- Platform for RES integration: the supply business creates demand that can be strategically covered through acquisitions and/or the development of new generation capacities, structurally reducing price risk and exposure to the spot market. The pronounced volatility of

the electricity market has generated significant fluctuations in the tariffs applied to end consumers.

Another relevant factor is the change in the fiscal framework applicable to electricity producers, through the removal of the value threshold for applying the windfall tax on additional revenues, which indirectly contributed to easing price pressures along the supply chain.

Balancing Revenues

Revenues from Balancing Services decreased by 69%, reaching RON 267 million for the year ended 31 December 2025, compared to RON 863 million recorded in 2024. The decline was driven primarily by a 64% reduction in the volume sold on the Balancing Market in 2025 compared with 2024. The decrease is directly proportional to the overall evolution of the Romanian balancing market, which recorded a 53% drop in volumes in the first eleven months of 2025 (according to ANRE data), from 1,493 GWh in 2024 to 797 GWh in 2025.

Other revenues from customer contracts

Other revenues from contracts with customers decreased by 37%, amounting to RON 146 million in 2025, compared to RON 231 million in 2024.

The evolution of these revenues is influenced by the behavior of other participants in the electricity market with respect to managing imbalances. The increase in prices recorded on the market for positive imbalances resulted in a rise of RON 230 million in positive imbalance revenues at Group level in the first six months of 2025 compared to the same period of 2024. At the same time, power-reduction services recorded in the generation segment decreased by RON 315 million compared to the same period of 2024.

4. Operating Expenses

	FY 2025 (unaudited)	FY 2024 (audited)	Change (%)
<i>Costs breakdown</i>	<i>RON million</i>	<i>RON million</i>	<i>%</i>
Turbinated water	445	518	-14%
Employee benefits expenses	1,020	885	15%
Transport and distribution of electricity	1,635	1,228	33%
Electricity purchased	911	209	336%
Green certificates expenses	354	274	30%
Depreciation and amortization	883	905	-2%
Impairment loss on property, plant and equipment and intangible assets, net	168	39	324%
Impairment loss on trade receivables, net	37	79	-53%
Repair, maintenance, materials and consumables	112	92	21%
Tax for electricity producers	123	235	-48%
Other operating expenses	408	307	33%

Source: Hidroelectrica

Turbinated water

Expenses for turbinated water usage decreased by 14%, amounting to RON 445 million for the year ended 31 December 2025, compared to RON 518 million in 2024. This reduction was driven by the lower volume of electricity produced in 2025 versus 2024, as a result of unfavorable hydrological conditions.

Employee benefits expenses

Employee benefits expenses increased by 15%, reaching RON 1,020 million for the year ended 31 December 2025, compared to RON 885 million in 2024. This increase primarily reflects the salary adjustments resulting from negotiations with the employees' union, applicable starting July 2024 and May 2025, as well as a 3% rise in the Group's actual number of employees (driven mainly by the acquisition of UCM Reșița in March 2024).

Transport and distribution of electricity

Electricity transport and distribution expenses increased by 33%, reaching RON 1,635 million for the year ended 31 December 2025, compared to RON 1,228 million in 2024. This increase was driven by the 30% rise in the volume of energy supplied and by successive increases in regulated tariffs during 2025.

Electricity purchased

Electricity purchased increased by 336% in 2025, reaching RON 911 million, compared to RON 209 million in the same period of 2024. This development is mainly attributable to the lower electricity production and to the higher volume of electricity required for the supply segment.

Impairment loss on property, plant and equipment and intangible assets, net

Impairment losses on property, plant and equipment and intangible assets increased to RON 168 million as of 31 December 2025, up from RON 39 million for the year ended 31 December 2024. This increase is mainly attributable to changes in the assumptions used, specifically the application of future cash flows for the main projects by estimating the operating expenses specific to each project.

5. Cashflow

	FY 2025	FY 2024	Change
	(unaudited)	(audited)	
	<i>RON million</i>	<i>RON million</i>	<i>%</i>
Net cash from operating activities	4,501	6,378	-29%
Net cash from investing activity	(758)	1,181	-
Net cash used in financing activities	(4,137)	(6,386)	-35%
Net increase/(decrease) in cash and cash equivalents	(394)	1,174	-
Cash and cash equivalents at 1 January	1,582	408	288%
Cash and cash equivalents at 31 December	1,188	1,582	-25%

Source: Hidroelectrica

Net cash from operating activities

Net cash generated from operating activities amounted to RON 4,501 million in 2025, compared to RON 6,378 million in 2024. This decrease is mainly attributable to the increase in the balance of trade receivables as at 31 December 2025 and was also negatively influenced by the decline in net profit in 2025 compared with 2024, resulting in a 29% reduction in net cash from operating activities in 2025 versus 2024.

Net cash from investing activity

Net cash from investing activities amounted to (RON 757) million in 2025, compared to RON 1,181 million in 2024. This decrease was primarily driven by higher investments in the acquisition of property, plant and equipment and intangible assets, as well as increased placements in deposits aimed at maximizing returns on available liquidity.

Net cash used in financing activities

Net cash used in financing activities amounted to RON 4,137 million for the year ended 31 December 2025, compared to RON 6,386 million in 2024. This reduction is due to the dividends paid in 2025, reflecting the financial performance achieved in the 2024 financial year.

6. Financial position

<i>RONm.</i>	31 December 2025 (unaudited)	31 December 2024 (audited)	Change %
Assets			
Non-current assets			
Property, plant and equipment	19,360	19,848	-2%
Intangible assets	35	22	64%
Other non-current assets	373	68	450%
Total non-current assets	19,768	19,938	-1%
Current assets			
Inventories	123	94	32%
Trade receivables	1,698	1,634	4%
Investments in deposits	3,731	3,476	7%
Cash and cash equivalents	1,187	1,582	-25%
Restricted cash	54	21	162%
Other current assets	64	231	-72%
Total current assets	6,857	7,038	-3%
Total assets	26,625	26,978	-1%
Equity and liabilities			
Equity			
Share capital	5,527	5,527	0%
Revaluation reserve	11,084	11,549	-4%



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	31 December 2025 (unaudited)	31 December 2024 (audited)	Change %
<i>RONm.</i>			
Other reserves	1,030	1,026	0%
Retained earnings	4,473	4,749	-6%
Total equity	22,114	22,852	-3%
Liabilities			
Non-current liabilities			
Bank borrowings	118	208	-43%
Lease liabilities	62	70	-11%
Deferred income	192	203	-5%
Deferred tax liabilities	1,394	1,460	5%
Employee benefits	140	129	9%
Provisions	1,009	944	7%
Other payables	58	53	9%
Total non-current liabilities	2,973	3,067	3%
Current liabilities			
Bank borrowings	96	93	2%
Lease liabilities	11	9	11%
Trade payables	778	430	81%
Contract liabilities	49	98	-51%
Current tax liabilities	191	60	217%
Deferred income	7	6	0%
Employee benefits	156	147	6%
Provisions	104	82	27%
Tax for electricity producers	-	2	-100%
Other payables	146	124	18%
Total current liabilities	1,538	1,051	46%
Total liabilities	4,511	4,117	9%
Total equity and liabilities	26,625	26,969	-1%

Source: Hidroelectrica

Other non-current assets

Other non-current assets outstanding as at 31 December 2025 increased by 450%, reaching RON 374 million compared to RON 68 million as at 31 December 2024. The increase was driven mainly by advances paid for the refurbishment of the Stejaru HPP, Vidraru HPP, and the Lotru pumping stations.

Trade receivables

Trade receivables increased by 4%, reaching RON 1,698 million as at 31 December 2025, compared to RON 1,634 million as at 31 December 2024. The increase is driven by the specific timing of invoice issuance in the fourth quarter, as well as by the non-banking days in December.

Investments in deposits

The balance of deposits increased by 7%, reaching RON 3,731 million as at 31 December 2025, compared to RON 3,446 million as at 31 December 2024. This increase was mainly driven by the establishment of deposits with maturities longer than three months, which are presented as deposit investments, whereas deposits with shorter maturities are classified as cash and cash equivalents.

Bank borrowings – long term

The balance of bank borrowings decreased by 43%, to RON 118 million as at 31 December 2025, from RON 208 million as at 31 December 2024. This decrease is due to loan repayments amounting to RON 89 million made during 2025.

Provisions – long term

Long-term provisions increased by 7%, reaching RON 1,009 million as at 31 December 2025, compared to RON 944 million as at 31 December 2024. This increase was mainly driven by the change in assumptions and unwinding decommissioning provisions in 2025.

Other long-term payables

The balance of other long-term liabilities did not record significant changes during the period. These liabilities represent guarantees established by the Hidroconstrucția SA and Romelectro SA consortium (contractors for the Bumbești–Livezeni investment project), deposited in bank accounts as a result of the non-extension of the guarantee letters.

Trade payables

Trade payables increased by 81%, reaching RON 778 million as at 31 December 2025, compared to RON 430 million as at 31 December 2024. This increase is mainly driven by higher payables to fixed-asset suppliers (RON 107 million to Electromontaj and Prime Batteries), the accumulation of payables to prosumers (up RON 44 million versus 31 December 2024), and higher electricity purchases made in December 2025 compared with December 2024, which had not been settled by 31 December 2025. Another factor contributing to the increase in trade payables is the higher volume of purchases made in the latter part of December 2025 for which suppliers had not yet issued invoices by year-end, resulting in amounts recognized as “suppliers – invoices to be received.”

Current Tax Liabilities

The balance of current income tax liabilities increased by 217%, reaching RON 190 million as at 31 December 2025, compared to RON 60 million as at 31 December 2024. This increase was mainly driven by the significantly better results recorded in the fourth quarter of 2025, compared with the decline in profit before tax in the fourth quarter of 2024.



Employee Benefits

Short-term employee benefits increased by 6%, amounting to RON 156 million as at 31 December 2025, compared to RON 147 million as at 31 December 2024. This increase primarily reflects salary adjustments and the growth in the Group's actual number of employees.

Provisions

Short-term provisions increased by 27%, reaching RON 104 million as at 31 December 2025, compared to RON 82 million as at 31 December 2024. This increase was mainly driven by the rise in the current portion of litigation provisions, based on management's estimates regarding the value and expected settlement dates of these cases.

Bogdan BADEA
Chairman of the Management Board

Radu CONSTANTIN
Member of the Management Board



Definitions

- **EBITDA** is defined as profit/(loss) before tax before (i) depreciation and amortization of property, plant and equipment and intangible assets and (ii) interest income and interest expense.
- **EBITDA Margin** is defined as EBITDA divided by revenue.
- **Adjusted EBITDA** is defined as EBITDA adjusted for (a) impairment/reversal of impairment of property, plant and equipment and (b) gain on bargain purchase of subsidiaries.
- **Adjusted EBITDA Margin** is defined as Adjusted EBITDA divided by revenue.
- **Adjusted Net Debt/(Cash)** is defined as bank loans and liabilities related to leasing contracts minus cash and cash equivalents and short-term investments (investments in deposits and government bonds).
- **Adjusted Net Debt/(Cash) to Adjusted EBITDA Ratio** is defined as Adjusted Net Debt/(Cash) divided by Adjusted EBITDA.