

Erste Group among joint global coordinators for Europe's largest IPO this year

- Hidroelectrica listing is largest-ever IPO in Romania
- Erste Group one of four joint global coordinators for the transaction
- BCR, Erste Group's Romanian subsidiary, acted as Joint Bookrunner

Erste Group, together with Citi, Jefferies and Morgan Stanley, acted as joint global coordinator on the 1.9 billion euro listing of Hidroelectrica, a leading electricity producer with a strong renewable portfolio, on the Bucharest Stock Exchange. The listing of Hidroelectrica is the largest-ever IPO in Romania, the third-largest to date in the CEE region, and the largest in Europe so far in 2023.

"The strong demand for the IPO of this renewable energy provider underlines investors' dedication to the CEE region's green transformation. Hidroelectrica's listing also represents a significant step forward in strengthening the capital markets in CEE," says **Ingo Bleier**, Chief Corporates and Markets Officer at Erste Group.

The Hidroelectrica IPO was multiple times oversubscribed and priced slightly above mid-range of the price range. This results in a valuation of above EUR 9.4 bn, making the green-power producer the largest company listed on the Bucharest Stock Exchange in terms of market capitalization. The IPO attracted about EUR 1.2 bn from Romanian retail investors alone. In addition to strong local institutional investors, a broad range of international investors invested in Hidroelectrica, some of them as first-time investors in Romanian equities. The shares offered in the IPO consisted of the approximately 20 percent stake Romania's Fondul Proprietatea held in Hidroelectrica (assuming the overallotment option is exercised in full); the remaining 80 percent stake in the utility will continue to be held by the Romanian state.

Fostering the capital markets in CEE

The attention this benchmark capital markets transaction gained among international investors helps to bring the CEE region back on the agenda for the international investment community. Opportunities like the Hidroelectrica listing are perfectly suited to stimulate equity markets: the company is well-managed and its profile is in-line with investors' great enthusiasm for renewable energy generation and green investment opportunities. Such equity stories provide both a unique opportunity for investors and a positive sign for the development of domestic capital markets in our region.

As a financial institution deeply rooted in Central and Eastern Europe, the development of its capital markets is an important pillar of Erste Group's overall strategy. *"Listings not only open the door for growth through improved access to additional capital, but also incentivize transparency and corporate governance. Thus, we are grateful for the fact that the selling shareholder, the management of Hidroelectrica and its controlling shareholder, the Romanian*

state, supported the IPO," explains **Jürgen Prumetz**, Head of Corporate Capital Markets, Erste Group Bank AG.

About Hidroelectrica

Hidroelectrica is the leading provider of hydroelectric energy and the top-ranked energy generator in Romania; it is now also diversifying into wind farms and solar plants. Currently, the company provides approximately 29 percent of Romania's electricity demand. Hidroelectrica has a hydropower capacity of 6.3 GW, operates 108 MW onshore wind generation and covers 8 percent of the energy retail market in the country (status: December 2022). The utility plans to add another 2 GW of solar, 1 GW of wind and 300 MW of hydropower capacity in the coming years.

About Fondul Proprietatea

Fondul Proprietatea was established by law in Romania in 2005 to indemnify persons whose assets were abusively expropriated by the country's previous communist regime by granting shares in Fondul Proprietatea to the respective persons proportionate to their losses. Fondul Proprietatea owns stakes in various state-owned companies; however, over the years, Fondul Proprietatea has divested itself of most of its holdings, often via the stock exchange.

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