PRESS RELEASE

Financial results - Q1 2020

- On a consolidated level, the net profit of Electrica Group, in Q1 2020, is RON 80 million
- Electrica Group's EBITDA increased by 201.6%, respectively to the value of RON 224 million

Electrica Group obtained, in the first quarter of 2020, a consolidated net profit of RON 80 million, registering an increase of RON 121 million, compared to the same period of the previous year.

The consolidated EBITDA reached the value of RON 224 million, higher by RON 150 million compared to the value in Q1 2019.

The EBITDA increase was mainly generated by the supply segment, which registered an increase of RON 150 million compared to the level of Q1 2019, mainly due to the lower costs of electricity acquisition, corroborated with the increase in revenues.

The revenues of Electrica Group, in Q1 2020, amounted to RON 1.658 million, representing an increase of 4.7% compared to the same period of the previous year.

In the supply segment, revenues were higher by 5.4%, in the context of the retail electricity selling prices increase by 4%, and the quantity supplied increase by 2%, but also the increase in revenues from green certificates, the latter having a neutral impact on the supply margin.

Regarding the distribution segment, revenues were 3.2% higher, mainly as a result of the increase in distribution tariffs, which offset the negative impact of the distributed electricity quantity reducing.

The consolidated costs for the purchase of electricity decreased by 8.6%, to RON 1.037 million in the first 3 months of 2020.

This evolution was generated by the supply segment, by decreasing by 15.4% the cost of electricity purchased for the supply activity, mainly following the reduction of electricity purchase prices on the regulated segment.

The favorable effect generated by the evolution of the supply segment was slightly reduced by the increase of electricity acquisition costs to cover network losses related to the distribution segment, by RON 10 million, due to the actual average purchase price of electricity for its own technological consumption in Q1 2020, compared to Q1 2019.
OTHER IMPORTANT INFORMATION

- In Q1 2020, Electrica Group distributed approximately 4.5 TWh (1% down compared to Q1 2019) to approximately 3.8 million users.
- In the first quarter of this year, Electrica Group supplied to the retail market approximately 2.5 TWh (increasing by 2% compared to Q1 2019) to approximately 3.6 million consumers.
- Electrica Furnizare has a market share of 20.03%. It is the leader on the regulated market, with a market share of 53.29%, and on the competitive market it has a share of 11.90% (according to the ANRE report for the first two months of 2020).
- In the current epidemiological context, the companies within Electrica Group donated for the support of the Romanian medical system, starting with March and until now, the amount of EUR 339,000. The funds were distributed to hospitals, the Red Cross and other non-profit organizations in Bucharest, Ploiesti, Brasov, Cluj and Drobeta Turnu Severin for the purchase of medical equipment, materials and services.
- Following the outbreak of the COVID-19 pandemic, the companies within Electrica Group have implemented specific organizational measure plans, absolutely necessary to carry out the activity and ensure continuity of the electricity supply. Thus, additional expenditures were made to those included in the budgets initially approved for 2020, for the purchase of protective equipment, materials, sanitation services and other special equipment. The distribution companies have approached ANRE for the recognition of these extraordinary expenses in the category of uncontrollable expenses, in addition to the values previously approved by the regulator for 2020.
- Starting with 15 May, once the state of emergency is over, the companies within Electrica Group will adopt plans for a gradual return to normal activity, certainly, with the reassessment of each job specific risks and the definition of organizational, hygienic, sanitary and other measures, depending on the degree of exposure and the coefficient of risk.

More information about the financial results of Electrica Group in the first quarter of 2020 can be found at this link: https://www.electrica.ro/en/investors/results-and-reports/interim-results/financial-statements-for-q1-2020/.

Statement of Corina Popescu, CEO Electrica SA: „The results recorded by Electrica Group in the first three months of this year are above expectations in the current context. Since the end of the first quarter, we have experienced a unique situation, but which we have succeeded to manage well, reacting promptly and facing unprecedented operational challenges.
In this difficult period of constraints and shortcomings, we tried to be alongside the communities where we operate, providing support to frontline medical units, in order to purchase equipment and hygienic and sanitary materials vital in managing the COVID-19 crisis.

Also during this period Electrica proved that it remains one of the pillars of the economy, a strategic Group, consisting of solid companies both from an operational point of view as well as from a financial one, with stable cash flow and potential of maintaining the assumed investments.

The increase by over 200 percent in EBITDA compared to the same period of 2019 is remarkable. Also, the growth in revenues and the expenses’ decrease are already the effects of the new strategy’s implementation, of the transformation and efficiency processes at Group level.

We are confident and maintain our ambitious investment plans for this year, of course, subject to the limitations imposed by the evolution of the epidemiological context and, implicitly, by the availability of contractors and partners involved in carrying out investment works or delivering equipment and materials.

Electrica remains one of the companies that investors continue to trust, observing in recent months even a consolidation of the positions held by institutional investors, those with a medium and long-term investment strategy in line with our plans. We are pleased by this, and it shows us that we are on the right track”.

Electrica Group is a key player in the electricity distribution and supply market in Romania, as well as one of the most important players in the energy services sector. Electrica Group provides services to over 3.8 million users and has national coverage - with subsidiaries in three areas for electricity distribution: Transilvania Nord, Transilvania Sud, Muntenia Nord and the entire country for electricity supply and for maintenance and energy services. As of July 2014, Electrica has become a company with private majority capital, listed on the Bucharest and London stock exchanges. Electrica is the only listed Romanian company in the field of electricity distribution and supply in Romania.

More information about Electrica Group can be found on the company’s website www.electrica.ro.