

PRESS RELEASE

Financial results - 9M 2020

- **At consolidated level, the net profit of Electrica Group, in 9M 2020, is RON 396 million, increasing by 146.2%**
- **The EBITDA of Electrica Group increased by 50.9%, to the value of RON 829 million**

Electrica Group obtained, in the first nine months of 2020, a consolidated net profit of RON 396 million, recording an increase of RON 235 million, respectively by 146.2%, compared to the same period of the previous year.

The consolidated EBITDA reached the value of RON 829 million, being by RON 280 million higher than in 9M 2019. The increase in EBITDA is mainly generated by the cumulated impact of the supply segment evolution, which recorded an EBITDA increase of RON 130 million compared to the 9M 2019 level, mainly due to lower electricity purchase cost, corroborated with an increase in revenues, and of the reversal of the impairment adjustments for the depreciation of uncertain receivables at Group level in the amount of approx. RON 105 million, after adjusting the uncollected VAT from Oltchim.

In 9M 2020, the revenues of Electrica Group amounted to RON 4,776 million, representing a 3.7% increase compared to the same period of the previous year.

On the supply segment, revenues were higher by 4.3%, in the context of the electricity sale prices increase on the retail market by 3.2%, but also due to the green certificates revenues increase, the latter having a neutral impact in the supply margin.

Regarding the distribution segment, revenues were 2.1% higher, mainly as a result of the distribution tariffs increase, which offset the negative impact of the reduction in the distributed electricity quantity.

In the first nine months of 2020, the consolidated costs for the purchase of electricity decreased by 2%, to RON 2,774 million. This evolution was generated by the 2.7% decrease of the purchased electricity cost for the supply business, mainly as a result of the electricity purchase prices reduction on the regulated segment, reflecting the recovery in the form of positive corrections, of some unrecognized costs from purchase of electricity from previous years, when the tariffs approved by ANRE did not fully reflect the actual purchase price of electricity.

The favorable effect generated by the supply segment evolution was slightly reduced by the increase of RON 7 million in the purchase costs for the electricity needed to

cover network losses related to the distribution segment, due to the actual average purchase price of the electricity for network losses in 9M 2020, compared to 9M 2019.

OTHER IMPORTANT INFORMATION

- In 9M 2020, Electrica Group distributed approximately 12.87 TWh (down by 3% compared to 9L 2019) to a number of approximately 3.8 million users.
- In the first nine months of this year, Electrica Group supplied approximately 6.8 TWh to the retail market (down by 0.5% compared to 9L 2019), to a number of approximately 3.6 million consumers.
- Electrica Furnizare has a market share of 19.47%. It is the leader on the regulated market, with a market share of 54.20%, while having a share of 11.06% on the competitive market (according to ANRE's report for August 2020).
- In the context of the current health crisis, the companies within Electrica Group have implemented plans of specific organizational measures, absolutely necessary for carrying out the activity in a safe environment and maintaining continuity in electricity supply.

More information about the financial results of Electrica Group for the nine month period ended 30 september 2020 can be found at this link: <https://www.electrica.ro/en/investors/results-and-reports/interim-results/financial-statements-for-q3-2020/>

Statement of Corina Popescu, CEO Electrica SA: “The results recorded by Electrica Group in the first nine months of this year, a complex year for everyone, prove that the business model adopted is working.

We were able to quickly adapt to the unprecedented situation generated by the sanitary crisis, which had a major impact on the global economy's evolution, and we identified opportunities for a sustainable evolution of the company, beyond implementation of the necessary measures for business continuity.

The current context has not necessarily led to a change in priorities, but rather to a need to focus efforts to accelerate their implementation. From this perspective, we managed to accelerate the major transformation projects planned at Group's level, in all main business directions: distribution, supply and services. Additionally to internal optimization and cost efficiency, we became the most important investor in electricity distribution infrastructure in Romania and continued to develop our business portfolio in both the supply and services areas, also by expanding the activity in the field of generation from renewable sources. The merger plans of the three distribution companies within the Group, as well as of the two energy services companies, will generate synergies that will add value to all stakeholders.

We have quickly adapted to the new working and business conditions, but we have kept what matters to each of us - a safe environment for our customers, partners and employees.

Furthermore, we rely on increasing operational performance, improving services' quality and optimizing costs for the end customer. The long-term strategic directions, focused on consolidating and developing the business model, in conjunction with the Company's preparation to face future challenges, are added to all of these”.

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.