

PRESS RELEASE

Financial results - H1 2021

- **On a consolidated level, the net profit of Electrica Group in H1 2021 is RON 76 million**

The Electrica Group obtained, in the first half of 2021, a **consolidated net profit** of RON 76 million, recording a decrease of 59.8%, compared to the same period of the previous year, generated mainly by the significant rise in the electricity purchase costs.

Consolidated **EBITDA** reached RON 357 million, decreasing by RON 129 million compared to the value recorded in the first half of 2020. The fall in EBITDA is mainly determined by the evolution of the supply segment, amid the rise in electricity purchase prices, as well as by several non-recurring positive elements from H1 2020, as presented below.

In H1 2021, **the total revenues** of Electrica Group reached the value of RON 3,339 million, representing an increase of 2% compared to the same period of the previous year.

On the supply segment, the revenues were higher by 7.8%, mainly due to the increase in electricity sales prices on the retail market, while on the distribution segment, the revenues recorded a decrease of 6.8%, mainly due to the net effect of the rise in the distributed electricity revenues, a positive variation offset by the reduction in the revenues recognized in accordance with IFRIC 12.

The consolidated electricity and natural gas purchase **costs** increased by 19.6%, to RON 2,167 million, in the first half of 2021. This evolution was generated especially by the supply segment, where costs increased by approximately RON 349 million, or 24%, mainly from the rise in the electricity purchase prices, both on the competitive sector and the universal service and supplier of last resort (SoLR) sector, which in 2020, was a regulated segment and was influenced by the recovery, in the form of positive corrections, of some purchase losses from previous years, when the tariffs approved by ANRE were below the actual electricity purchase price, effect that didn't exist in 2021. A 13.9% increase in the volume of electricity purchased in the competitive segment was also recorded, compared to the same period of the last year.

Regarding the distribution segment, the evolution of the cost of electricity purchased to cover network losses had an unfavorable effect on consolidated costs, of RON 6 million or 1.6%, mainly from higher volumes of electricity needed to cover network losses

(negative impact of RON 5 mn), and also from an increase in the electricity purchase prices (negative effect of RON 1 mn).

Financial results	H1 2021 (RON million)	H1 2020 (RON million)	Δ %
Operating revenues	3,339	3,273	2.0%
Operating expenses	3,224	3,035	6.2%
Operating profit	115	237	-51.5%
EBITDA	357	486	-26.5%
Net profit	76	190	-59.8%

OTHER IMPORTANT HIGHLIGHTS

- In H1 2021, Electrica Group distributed approximately 9.20 TWh (rising by 9.1% compared to H1 2020) to a number of approximately 3.8 million users.
- In H1 2021, Electrica Group supplied on the electricity retail market approximately 4.6 TWh (0.8% increase compared to S1 2020) to a number of approximately 3.5 million consumption places.
- EFSA has a market share of 18.54%; is the market leader on the US and SoLR market, with a market share of 31.14%, while on the competitive market had a share of 10.71% (according to the last available ANRE report, at April 2021).

More information about the financial results of Electrica Group in H1 2021 can be found at this link:

<https://www.electrica.ro/en/investors/results-and-reports/interim-results/financial-statements-for-h1-2021/>

Statement of Corina Popescu, CEO Electrica: “In the context of profound and fast transformations in the energy market, one dominated by unpredictability, energy trading prices have risen significantly in the last period, reaching record levels even in the Romanian market. This evolution, difficult to anticipate, determined by factors external to the company, generated a significant increase in the electricity purchase costs. Despite our risk management policies, part of the effect was also felt on the financial results for first half of the year.

This effect is also highlighted by the comparison with the performance recorded in 2020 on the supply segment, an exceptional one, which also came from the favorable effect of the recoveries related to the previous years.

However, we are a solid company and we have taken responsibility towards our customers, making every effort to maintain a balance, including by costs optimization for the end-customer, even in this unfavorable context.

Throughout this period, we focused our efforts on continuing to make major investments, in the area of production from renewable sources, on operational efficiency, on improving services offered, but also on diversifying the business through offers and services customized to customer needs. All these measures will allow the sustainable development of the Group in the directions pursued by the approved strategy, with beneficial effects on the company's profitability".

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 about 3.8 million users and has national coverage - with a coverage of 18 counties from three geographical areas for the distribution of electricity: Transilvania Nord, Transilvania Sud, Muntenia Nord, and across the country for the supply of electricity 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.