



SOCIETATEA ENERGETICA ELECTRICA S.A.

Separate Preliminary Unaudited Results

as at and for the year ended

31 December 2019

Free translation from Romanian, which is the official and binding version

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE PRELIMINARY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

(All amounts are in RON, if not otherwise stated)

| | Preliminary 31 December 2019 (unaudited) | 31 December 2018 (audited) |
|--|---|---------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 161,619,617 | 225,875,488 |
| Intangible assets | 4,231,289 | 565,574 |
| Investments in subsidiaries | 2,217,229,628 | 2,180,209,868 |
| Restricted cash | 320,000,000 | 320,000,000 |
| Loans granted to subsidiaries – long term | 1,030,000,000 | 968,087,389 |
| Right of use asset | 1,739,658 | - |
| Total non-current assets | 3,734,820,192 | 3,694,738,319 |
| Current assets | | |
| Cash and cash equivalents | 180,279,381 | 169,966,962 |
| Deposits with maturity date more than three months | 66,471,188 | 101,493,076 |
| Trade receivables | 5,051,841 | 9,001,292 |
| Other receivables | 15,120,713 | 17,032,342 |
| Inventories | 89,312 | 76,665 |
| Prepayments | 200,921 | 54,106 |
| Loans granted to subsidiaries – short term | 5,500,000 | 5,202,986 |
| Total current assets | 272,713,356 | 302,827,429 |
| Total assets | 4,007,533,548 | 3,997,565,748 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 3,464,435,970 | 3,459,399,290 |
| Share premium | 103,049,177 | 103,049,177 |
| Treasury shares reserve | (75,372,435) | (75,372,435) |
| Pre-paid capital contributions in kind from shareholders | 7,366 | 5,144,025 |
| Revaluation reserves | 5,851,829 | 11,837,805 |
| Legal reserves | 197,091,689 | 184,202,070 |
| Other reserves | 35,645,456 | - |
| Retained earnings | 256,204,946 | 288,528,416 |
| Gains in respect of shares issue | 2,185,519 | - |
| Losses in respect of shares issue | (963,601) | - |
| Total equity | 3,988,135,916 | 3,976,788,348 |

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SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE PRELIMINARY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

(All amounts are in RON, if not otherwise stated)

| | Preliminary 31 December 2019 (unaudited) | 31 December 2018 (audited) |
|--------------------------------------|---|---------------------------------------|
| Liabilities | | |
| Non-current liabilities | | |
| Lease liability – long term | 1,012,867 | - |
| Employee benefits | 1,978,305 | 1,898,716 |
| Total non-current liabilities | 2,991,172 | 1,898,716 |
| Current liabilities | | |
| Lease liability – short term | 795,513 | - |
| Trade payables | 4,886,047 | 4,014,783 |
| Other payables | 1,613,208 | 4,006,193 |
| Deferred revenue | 554,548 | 593,991 |
| Employee benefits | 5,249,675 | 6,546,940 |
| Provisions | 3,307,469 | 3,716,777 |
| Total current liabilities | 16,406,460 | 18,878,684 |
| Total liabilities | 19,397,632 | 20,777,400 |
| Total equity and liabilities | 4,007,533,548 | 3,997,565,748 |

Chief Executive Officer

Georgeta Corina Popescu

Chief Financial Officer

Mihai Darie

February 27th, 2020

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE PRELIMINARY STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019
(All amounts are in RON, if not otherwise stated)

| | Preliminary 2019 (unaudited) | 2018 (audited) |
|---|---|---------------------------|
| Revenues | 19,040,578 | 16,783,663 |
| Other income | 2,329,343 | 20,317,942 |
| Employee benefits | (29,501,304) | (36,823,886) |
| Depreciation and amortization | (22,132,605) | (21,745,603) |
| Reversal of impairment of trade and other receivables, net | 1,641,814 | 41,186,949 |
| (Impairment)/ Reversal of impairment of property, plant and equipment, net | (3,905,952) | 5,697,528 |
| Impairment of equity interests in subsidiaries | - | (19,520,323) |
| Change in provisions, net | 409,308 | 8,576,103 |
| Other operating expenses | (20,813,350) | (45,856,012) |
| Operating loss | (52,932,168) | (31,383,639) |
| Finance income | 310,927,134 | 329,429,909 |
| Finance costs | (202,583) | (76,667) |
| Net finance income | 310,724,551 | 329,353,242 |
| Profit before tax | 257,792,383 | 297,969,603 |
| Deferred tax (expense)/benefit | (17,652) | 3,752 |
| Profit for the year | 257,774,731 | 297,973,355 |
| Earnings per share | | |
| Basic and diluted earnings per share (RON) | 0.76 | 0.88 |

Chief Executive Officer
Georgeta Corina Popescu

Chief Financial Officer
Mihai Darie

February 27th, 2020

1 Basis of preparation

These preliminary unaudited separate financial statements are the separate financial statements of Societatea Energetica Electrica S.A. ("Company" or "Electrica") and they include only the Separate Statement of Financial Position and the Separate Statement of Profit or Loss.

These preliminary unaudited separate financial statements have been prepared in accordance with the Ministry of Public Finance Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards ("OMFP 2844/2016"). In acceptance of OMFP 2844/2016, International Financial Reporting Standards are standards adopted under the procedure provided by the European Commission Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 regarding the application of the international accounting standards.

The financial statements are prepared and issued prior to the finalization of all usual internal procedures for the preparation of the annual financial reporting, as well as before concluding of the independent auditor report on the annual financial statements and as a result, differences between the preliminary separate financial statements and the separate audited financial statements might occur.

These financial statements are not audited or reviewed by an independent auditor and they are not a full set of financial statements in accordance with IFRS-UE.

The preliminary unaudited individual financial statements were authorized for issuance and signed by the management on February 27th 2020.

Chief Executive Officer

Georgeta Corina Popescu

Chief Financial Officer

Mihai Darie

February 27th, 2020