

PRESS RELEASE

- **Electrica Group enters the market of the production of electricity from renewable sources**

BUCHAREST, 23 June 2020 - Electrica Furnizare S.A., part of Electrica Group, announces its entry on the electricity production market by signing a sale-purchase contract with Raylexo Limited and Long Bridge Management and Administration S.R.L. in order to purchase the Stănești Photovoltaic Farm, from Giurgiu county, owned by Long Bridge Millennium SRL.

With an installed capacity of 7.5 MW and an operating capacity limited to 6.8 MW, the Stănești Photovoltaic Farm is located on an area of 17.5 ha and was built between October 2012 and January 2013, starting to inject electricity into the grid since February 2013.

Closing of the transaction and the transfer of shares' ownership to Electrica Furnizare S.A. are subject to fulfilment of the conditions precedent agreed by the parties as well as to the relevant formalities. The purchase price will be determined at the closing of the transaction, pursuant to the terms of the sale-purchase contract.

The acquisition made by Electrica Furnizare S.A., leader on the electricity supply market in Romania, is the first step towards the envisaged target of vertical development of Electrica Group, by entering the market for electricity generation, in particular from renewable sources. In this transaction, Electrica Group was assisted by a team of consultants, led by PricewaterhouseCoopers Management Consultants SRL and Volciuc-Ionescu SPRL.

“The expansion on the electricity value chain, especially in the production area from renewable sources, is one of the important objectives of Electrica Group’s Strategy for the period 2019-2023. We anticipate that such acquisitions will help us achieve significant synergies, continuing to optimize the Group's supply area in this direction as well, in addition to the current process of organizational transformation.

We are aware of the importance of decarbonising the energy sector and we are concerned about sustainable business development, especially in the context of the new challenge launched by the European Commission for the member states - the Green Deal or the New Ecological Pact. At least for the next decade, sustainability certainly means being green in the field of production, because the Paris Agreement has as main objective that, by 2030, at the level of the European Union, the production

of energy from renewable sources to exceed 30%. Of course, sustainable development also means for us that we are concerned that such projects bring added value to the business and investors, consolidating the results of Electrica Group. In this regard, we further analyze other potential opportunities for inorganic growth, in line with our strategy", said Corina Popescu, CEO Electrica SA.

With a tradition of over 120 years, Electrica Furnizare, the electricity and natural gas supply subsidiary of the Electrica Group, offers services to a number of approximately 3.6 million end customers, both in a last resort regime and on the competitive market. The company is licensed to operate electricity and natural gas supply throughout the country.

In the first quarter of this year, Electrica Group supplied to the retail market approximately 2.5 TWh (up 2% compared to Q1 2019) to a number of approximately 3.6 million customers.

Electrica Furnizare is the market leader with a total market share of 19.83%, having a share of 53.15% on the regulated market and 11.64% on the competitive market (according to the ANRE report for the first three months of 2020)

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.