

## PRESS RELEASE

- Shareholders of Electrica SA approved the granting of a favorable vote of the company in the EGMS of the distribution operators, respectively the EGMS of the energy service companies within the Group, regarding the proposed merger projects for the two business segments
- The mergers on the two business lines will mark a new stage in the transformation of Electrica Group, in line with the strategy for the period 2019-2023, the final goal being to improve the quality of services offered to the 3.8 million consumers

**BUCHAREST, 21 August 2020** - The Extraordinary General Meeting of Shareholders (EGMS) of Electrica SA, legally and statutorily constituted at the first convocation, approved, with 100% of the votes held by the shareholders present, validly represented or who voted by mail, the proposals of the Board of Directors regarding the merger project by absorption of the three electricity distribution operators within Electrica Group (SDEE Transilvania Nord, SDEE Transilvania Sud, SDEE Muntenia Nord), as well as the proposals related to the merger project of the two energy services companies - Filiala de Întreținere și Servicii Energetice Electrica Serv SA (FISE) and Servicii Energetice Muntenia SA (SEM).

Starting with 1 January 2021, the new entity resulting in the distribution area will be called "Distribuție Energie Electrică România SA" (DEER). In the process involving the three distribution operators, the absorbing company will be SDEE Transilvania Nord, and in the case of the energy service companies, the absorbing company will be Filiala de Întreținere și Servicii Energetice Electrica Serv SA (FISE).

In this context, the role of the distribution activity on the value chain is changing, and the main objectives of the strategy defined for this segment envisage improvements and optimizations on three dimensions: operational performance, quality of services and cost optimization to the final consumer. To these are added the long-term strategic directions, focused on consolidating and developing the business model, in conjunction with the preparation of distribution networks to meet the challenges of the energetic transition.

In 2019, the three operators of Electrica Group distributed approximately 17.7 TWh, which represents approximately 40% of the total electricity distributed nationwide to end users.

Regarding the services area, the main objective is to become an integrated provider of energy solutions, with benefits such as: unitary management and governance, organizational synergies, improved business activity, integrated service offering, as well as knowledge transfer and development of the capacity to execute the works.

The two merger projects are in line with the directions of transformation and optimization of Electrica Group's activity, started along with the listing on the stock exchange. In the five years since the listing, Electrica Group has become the largest investor in the country's energy infrastructure, with a total of RON 3.4 billion invested, to which is added the ongoing plan for 2020, worth RON 600 million.

#### **Statement of Corina Popescu, CEO Electrica SA:**

„Along with the admission to trading, the plans of Electrica Group became more and more ambitious and had as a premise the transition of the business to the next level, so that our consumers benefit from services at the highest standards. Today, we are facing a new stage in the life of the Group, which marks the acceleration of the transformation process it is going through and generates new synergies that will add value to all parties involved.

The positive input of our shareholders for the two merger projects is another important step in implementing Electrica Group's strategy for the period 2019-2023 and it contributes to achieving our goal of becoming a more robust, more performant and more efficient organization.”

At the Extraordinary General Meeting of Shareholders of Electrica SA have participated personally, through a representative or voted by correspondence the shareholders registered in the shareholders' register kept by Depozitarul Central on 27 July 2020, set as reference date, the quorum met being 73,11% of the total voting rights and 71,66% of the share capital of the Company.

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*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.*

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*More information about Electrica Group can be found on the company's website [www.electrica.ro](http://www.electrica.ro).*