

PRESS RELEASE

- **Electrica has successfully completed the merger process of the three electricity distribution companies within the Group**
- **Starting with January 1, 2021, the new company becomes Distribuție Energie Electrică România SA (DEER)**
- **DEER becomes the most important national electricity distribution operator, with a coverage of 40.7% of Romania territory.**

BUCHAREST, 04 January 2021 - Electrica announces the successful completion of the merger by absorption of the three electricity distribution companies within the Group, which, starting with 1 January 2021, became Distribuție Energie Electrică România S.A. (DEER).

The merger by absorption of the electricity distribution companies within the Electrica Group was approved in principle by the Board of Directors of Electrica S.A. in the meeting dated 27 May 2020, the decision being an important step in the implementation plan of the Group Strategy for the period 2019-2023.

Through the merger of Societatea de Distribuție a Energiei Electrice (SDEE) Transilvania Nord S.A, SDEE Transilvania Sud S.A. and SDEE Muntenia Nord S.A., the new company Distribuție Energie Electrică România will operate 198,988 km of electric lines in 18 counties, from three geographical areas of the country, representing 40.7% of the Romanian territory, and will serve over 3.8 million users. Thus, Electrica Group has taken an important step in adapting to consumer's requirements, offering them services to cover their increasingly diverse needs.

Statement of Corina Popescu, CEO of Electrica S.A.: "By implementing the merger of the three distribution companies within the Group, medium and long-term benefits will be obtained for all stakeholders. It is a major project which will allow us to streamline costs, while accelerating the digitization of major business processes, as well as to improve operational performance in order to increase the quality of services provided".

DEER is responsible for the distribution of electricity in the following counties: Cluj, Maramures, Satu Mare, Salaj, Bihor, Bistrita-Nasaud, Brasov, Alba, Sibiu, Mures, Harghita, Covasna, Prahova, Buzau, Dambovita, Braila, Galati and Vrancea.

At regional level, there will be eighteen branches, with headquarters in: Cluj-Napoca, Oradea, Baia Mare, Satu Mare, Bistrita, Zalau, Brasov, Sibiu, Alba Iulia, Targu Mures, Miercurea Ciuc, Sfantu Gheorghe, Ploiesti, Braila, Galati, Buzau, Targoviste and Focsani.

The main objectives of the strategy defined for the distribution segment consider optimizations on three dimensions: operational performance, quality of services and optimization of costs to the final consumer.

The long-term strategic directions, focused on the business model's development, corroborated with the preparation of the distribution networks to face the challenges of the energy transition, are added to these.

Since 2014 until now, Electrica Group has become the largest investor in the upgrading and retrofitting of electricity distribution networks, with a total of RON 4.39 billion invested.

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 organization 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.