

## **ANNOUNCEMENT**

### **The rating agency Fitch Ratings granted the BBB rating to Electrica Group**

Electrica Group, leader in the distribution and supply of electricity in Romania, obtained the issuer corporate rating of BBB (Investment Grade), with a stable outlook, from the rating agency Fitch Ratings.

The BBB rating reflects Electrica Group's solid financial profile, the stability of the cash flow, the leading position both on the electricity distribution and regulated supply segments, in the regulated area, as well as the potential of maintaining a high level of investments during the next period.

In view of the business development opportunities and of the ambitious investment plan undertaken during the 4th Regulatory Period, Electrica Group explores several options for financing sources' diversification. In this regard, the Group made the decision to apply for obtaining an issuer rating from one of the three major rating agencies, considering that this is a proof of transparency and, at the same time, a key element in order to obtain financial flexibility. The existence of a history of the issuer's rating at the time of a bond issuance or when obtaining another source of financing is beneficial in terms of successfully placing the debt, by accessing the credit instruments market under favorable conditions. The decision to obtain an issuer rating also took into account the fact that credit risk opinions issued by one of the three major rating agencies are used by institutional investors around the world.

Through the IPO that took place in 2014, the only privatization with a majority stake on the Romanian capital market, Electrica has managed to attract about 2 billion lei, funds used in a responsible manner in two major areas: implementation of an ambitious investment program and opportunities for mergers and acquisitions. Thus, Electrica Group has become the largest investor in the modernization and refurbishment of electricity distribution network, with a total of 3.1 billion lei invested in the last five years. As a result of these investments, the quality of the services offered by the distribution companies within the Group has improved significantly, contributing also to the solid financial results, with a stable outlook. Another important part of the IPO use of proceeds was used, at the end of 2017, for the acquisition of the 22% minority stakes held by Fondul Proprietatea in the distribution and supply subsidiaries of Electrica Group.

Following these major projects carried out in the last years, as undertaken through the IPO Prospectus, Electrica has used the proceeds, still retaining the capacity to sustain future projects, also through external funds.

#### **Statement - Corina Popescu, Chief Executive Officer Electrica SA:**

„We are willing to enhance the credibility of Electrica Group in front of our investors, their trust being extremely important to us. Thus, our aim in investor relations is to be regarded as a transparent company. The rating offers to all stakeholders an independent assessment, comparable with that of similar companies which are also tracked by the rating agencies. After obtaining the rating, our investors will benefit from Fitch's experience regarding the analysis and monitoring process of Electrica Group's public rating, providing additional comfort when analyzing a potential increase in the investment in Electrica ”.

With approximately 7000 shareholders from over 30 countries, Electrica has become a constant presence in the top of the most valuable Romanian brands. With a market capitalization of almost 4 billion lei, Electrica is the

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Share capital: 3.459.399.290 RON  
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only Romanian company listed activating in the field of electricity distribution and supply in Romania. From 2014 until now, Electrica has offered the most stable dividend yield among all the companies included in BET.

More details on the analysis performed and the criteria for granting the rating can be found in the statement published by Fitch: <https://www.fitchratings.com/site/pr/10090099>.

**Chief Executive Officer**

**Georgeta Corina Popescu**