



## **ANNOUNCEMENT**

### **Fitch Ratings affirms Electrica's rating at BBB with Negative outlook**

Electrica Group, a leader in the distribution and supply of electricity in Romania, received confirmation of maintaining the corporate rating of BBB (Investment Grade), with a Negative outlook, from the rating agency Fitch Ratings.

The negative perspective is imposed by the rating of Romania (BBB- with negative perspective) taking into account that Fitch considers that the rating of the Company must be limited to one notch above that of the Romanian State, its main shareholder. Any revision of the Outlook of the Romanian sovereign rating back to Stable would result in a similar action for Electrica's rating.

In Fitch Ratings' opinion, the BBB rating continues to reflect Electrica Group's solid financial profile, adequate liquidity, low leverage level, as well as fact that the distribution segment dominates the Group's activities. Fitch Ratings also viewed as positive for the analysis of Electrica's credit profile the consolidations achieved through the mergers of the distribution subsidiaries and, respectively, of the energy services subsidiaries, as they have simplified the group structure and is estimated to provide for costs savings and improvement of internal business processes.

Also, in the rating agency's opinion, the Group's business profile proved to be solid, resilient to the COVID-19 outbreak and related economic shock, the volumes of distributed and respectively supplied energy in 2020 being only slightly lower than in 2019, while the investment projects in the distribution area were unfolded according to the planning.

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/research/corporate-finance/fitch-affirms-romania-electrica-at-bbb-negative-outlook-22-04-2021>.

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