

Press Release

July 18<sup>th</sup>, 2024

## **Rețele Electrice companies obtain loans worth 1 billion lei from a consortium of banks led by the EBRD, to finance investment programs**

**Bucharest** – Rețele Electrice companies, part of the PPC Group, signed today credit agreements worth one billion lei with the European Bank for Reconstruction and Development (EBRD), Banca Transilvania, BCR and ING Bank Romania, as part of a syndicated financing in which the EBRD was the consortium leader. The funds will be used to refinance and finance the investment programs of electricity distribution operators Rețele Electrice Muntenia (REM), Rețele Electrice Banat (REB) and Rețele Electrice Dobrogea (RED) in their areas of activity, for the years 2023 and 2024.

*„Our main concern in the coming years is to achieve the ambitious investment programs announced by the PPC Group to ensure the resilience of electricity networks, through digitization, modernization and reconfiguration. The infrastructure operated by Rețele Electrice companies represents a vector of economic growth, to ensure the energy transition and the competitiveness of the economy. We already have the most efficient distribution operators in Romania and obtaining such financing, at competitive pricing, allow us to maintain a low level of costs, for the benefit of our customers. The need for investments in electrical distribution networks is very high and that is why we are making efforts to finance these investments at optimal costs”,* stated **Răzvan Popescu, Financial Director of PPC companies in Romania.**

Within the consortium, the EBRD will make available total funds of 500 million lei, of which 175 million lei for Rețele Electrice Muntenia, 175 million lei for Rețele Electrice Banat and 150 million lei for Rețele Electrice Dobrogea.

The three commercial banks will provide another 500 million lei, in equal shares. Thus, REM obtained from BT, BCR and ING loans of 175 million lei, REB 175 million lei, and RED 150 million lei.

The total value of the investment projects that will be financed including with the help of the mentioned credits is 1.442 billion lei, of which 575 million lei at Rețele Electrice Muntenia, 465 million lei at Rețele Electrice Banat and 402 million lei at Rețele Electrice Dobrogea.

The investment programs are aimed both at modernizing the networks to improve the quality of the distribution service, reducing own technological consumption and increasing operational efficiency, as well as increasing the capacity of the networks to be able to accommodate new consumers and an increased level of consumption in developing areas.

Also, all three distribution operators will continue to install smart meters and remote facility control systems, including cyber security equipment.

Within the framework of the financing agreements, the possibility of increasing the value of the loans by another 500 million lei is provided, starting from 2025, a non-binding option available to the Electric Networks companies.

**Rețele Electrice** companies operate networks with a total length of approximately 134,000 kilometers in three important areas of the country: South Muntenia (including Bucharest), Banat and Dobrogea, covering a third of the local distribution market, and are developing an investment program to improve quality services, safety and performance of networks and local implementation of environmental standards of the PPC group. The electrical networks operated by the three companies Rețele Electrice count 287 transformer stations and over 24,000 transformer stations.