

Romanian electricity supplier and distributor Electrica has signed a 150 million euros loan agreement with Erste Group Bank and Raiffeisen Bank Romania.

Electrica will use the proceeds of the loan to finance its strategy for the 2019-2023 period, which also envisages expanding on the value chain of electricity, especially in the production of electricity, with a particular focus on renewable energy sources.

CEO of Electrica Corina Popescu said that, as an important step towards putting Electrica Group strategy of inorganic growth into action, the signing of this milestone financing agreement with two banks will enable the company to finance the acquisition of renewable energy projects, both operating and greenfield, reaffirming the company's commitment to contribute with its own efforts towards the fulfillment of the European Green Deal.

The 150 million euros credit facility has a tenor of maximum two years, and Electrica has the option to issue a bond to refinance the loan or convert the facility into a 5-year fully amortizing loan.

Erste Group and Raiffeisen Bank Romania serve as lenders on an equal basis for the facility, and BCR acts as Facility & Security Agent.

Last month, Electrica said that it will acquire five companies that operate solar power plants for some 35 million euros. The sellers are MT Project and HiTech Investment, which jointly own 100 % capital in these five companies. The five solar power plants have combined installed capacity of 30.95 MW.

In August, shareholders of Electrica have approved the establishment of the subsidiary which will handle the group's investments in the field of renewable energy generation and energy storage - Electrica Productie Energie.

Last September, Electrica Furnizare has closed the acquisition of 7.5 MW Stanesti solar power plant. The company acquired all shares in the plant's operator Long Bridge Milenium from Cyprus-based company Raylexo Limited and local company Long Bridge Management si Administrare for 1.62 million euros. Moreover, it took over the loans obtained by Long Bridge Milenium in total amount of 3.82 million euros.