

25th of August 2021

PRESS RELEASE

The National Gas Transmission Company "TRANSGAZ" SA reports that the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD) has become, starting with the 25th of August 2021, a shareholder with a 25% interest in the share capital of the gas transmission company VESTMOLDTRANSGAZ SRL, the subsidiary of TRANSGAZ in the Republic of Moldova, which owns and operates the gas transmission pipeline Ungheni-Chisinau.

EBRD became a shareholder in VESTMOLDTRANSGAZ following the fulfillment of the conditions precedent related to a Subscription Agreement whereby EBRD undertook to increase the share capital of VESTMOLDTRANSGAZ by Euro 20 million in order to finance the development costs of the gas transmission pipeline Ungheni - Chisinau.

Established in 2014, VESTMOLDTRANSGAZ owns and manages the gas pipeline network in the West of the Republic of Moldova and provides gas transmission services in this country. In 2018, it was taken over by Eurotransgaz SRL, a subsidiary of the National Gas Transmission Company TRANSGAZ SA, the company that operates the Romanian gas transmission system.

The 120 km long gas transmission pipeline Ungheni-Chisinau interconnects the gas transmission systems of Romania and the Republic of Moldova by connecting the Municipality of Chisinau to the interconnection pipeline Iasi-Ungheni between the Eastern city of Romania, Iasi and Ungheni, a city in the Republic of Moldova, located on the border with Romania.

On the occasion of this transaction, **Mr. Ion STERIAN**, TRANSGAZ' Director General stated: ***"The partnership with the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT in VESTMOLDTRANSGAZ is a source of pride for TRANSGAZ and, at the same time, a positive signal both for the economy of our country and for the economy of the Republic of Moldova. It is also a proof of the fact that TRANSGAZ manages to successfully accomplish, under efficiency conditions, the investment projects it has started. The deal sealed with EBRD confirms once again the active partnership between EBRD and TRANSGAZ – a partnership expressing the bank's interest in supporting the company's strategic investment program for the development of the interconnection between the gas networks of the region leading to the increase in the security of supply and the diversification of the gas supply sources. The Pipeline Ungheni-Chisinau is a strategic project for***

ROMANIA, for the REPUBLIC OF MOLDOVA, for TRANSGAZ and now for EBRD as well. We managed to finalize this investment, thus also becoming the first Romanian multinational company in the gas transmission sector, with a contribution to the regional energy security.

In the Republic of Moldova, EBRD and TRANSGAZ' subsidiary, VESTMOLDTRANSGAZ cooperated for the project Ungheni-Chisinau in respect of the social and environmental matters, ensuring that the highest standards in the implementation of this project are complied with.

Last year, TRANSGAZ and BERD concluded a Memorandum of Understanding on the cooperation and support for the investment in the energy sector, under which, depending on TRANSGAZ' financing needs, EBRD will consider participating in the financing of projects by providing debt or equity instruments. Now, this framework is accomplished by EBRD's acquiring a stake in VESTMOLDTRANSGAZ, thus creating the premises for important projects in the future. There is a successful cooperation between TRANSGAZ and EBRD regarding the financing of the BRUA project. I would like to take this opportunity to thank EBRD Vice-President, Mr. ALAIN PILLOUX for the conclusion of this deal."

EBRD Vice-President, Mr. ALAIN PILLOUX stated:"The Ungheni-Chisinau gas transmission pipeline, connecting the Moldovan gas network to the European Union via Romania, is an important step towards geographical diversification of Moldova's energy supplies. Having invested in a 25 per cent stake in VESTMOLDTRANSGAZ, the EBRD is playing a key role in strengthening the country's energy security and contributing to sustainable economic growth that benefits everyone".

COMUNICATION DEPARTAMENT