

Rating agency Fitch Ratings has affirmed long-term Issuer Default Rating (IDR) of Romanian natural gas transmission system operator Transgaz at BBB- with a stable outlook. The statement from Fitch said that the IDR of Transgaz mainly reflects its solid business profile as a concessionaire and operator of the gas transmission network in Romania, as well as the agency's expectation of a progressive contraction of its international gas transit business derived from traditional routes. Still, Fitch estimates that Transgaz' debt levels could increase significantly in 2023-2024 due to the increased investment plans. Transgaz is expected to carry out some 935 million euros in investments throughout 2021-2025 period. This amount includes 365 million euros in development projects dedicated to transporting natural gas from the Black Sea coast, which are still in limbo until the companies running those projects decide to move on with the gas extraction. These investments decisions are also conditioned by the amendments to Romania's offshore hydrocarbon law. While the Romanian Government controls the company's strategy and operations due to its 59 % majority stake, Fitch sees the state's financial support for the company as weak. It expects Transgaz to continue to finance its operations independently without cross-defaults or guarantees from the Government.