

Bucharest, March 05, 2024

PRESS RELEASE

The Municipality of Resita lists the first issue of green municipal bonds on the Bucharest Stock Exchange

- **The bond issue has a value of EUR 8.8mn and a maturity of ten years.**
- **This is the first issue of green bonds of a local administrative authority in Romania.**
- **The municipality was assisted in the private placement by BRK Financial Group, as intermediary, and VMB Partners, as financial consultant.**

The first green municipal bonds on the local capital market, issued by the [Municipality of Resita](#), debuted on the [Bucharest Stock Exchange \(BVB\)](#), on Tuesday, March 5.

The listing of the bonds of the Municipality of Resita ([RES33E](#)) was carried out following a private placement in November 2023, during which the municipality raised EUR 8.8mn, through the issuance of 88,296 bonds, non-convertible, guaranteed and denominated in EUR.

"Resita, city with history, city with future! Named in the interwar period the father of Romanian industry, Resita proves, after almost 100 years, that it is an innovative city, a green city. We are happy to be the first city in Romania to issue green municipal bonds, and today's listing on the Bucharest Stock Exchange is an important step in realizing our ambitious green investment plan in Resita", stated Ioan Popa, Mayor of Resita.

The funds raised through the bond issue will be used to co-finance the project to reintroduce the electric tram in Resita, respectively the renewal of the transport operator's rolling stock (13 trams and 10 electric buses) and the development of the transport infrastructure in Resita.

"We congratulate the Municipality of Resita for the initiative to issue green municipal bonds, which represents a double first, primarily because it is Resita's first step on the capital market and, at the same time, they are the first green bonds issued by a municipality. In recent years, Bucharest Stock Exchange has demonstrated that it is a solid partner for attracting financing both by companies and by county councils or town halls for the development of projects to improve the communities they manage", said Radu Hanga, Bucharest Stock Exchange President.



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Register of Commerce: J40/12328/2005
C.U.I.:17777754
Share Capital: 80.492.460 lei
C.N.V.M. Decision No /31.01.2006

The bonds have a nominal value of EUR 100, a variable interest (EURIBOR + 3.5% p.a.) and maturity in 2033. The coupon is payable semiannually, and the principal will be repaid in 5 annual installments (12% in 2029, 18% in 2030, 20% in 2031, 23% in 2032 and 27% in 2033), and after each repayment, the face value of each bond will decrease proportionately.

"We want the example of Resita City Hall to be followed by other local authorities to support the sustainable and green development of the communities they represent. Bond issues offer the diversification of financing sources for both companies and local administrative authorities, and at the same time allow a more appropriate financing of the projects implemented on the long term that imply long-term financial requirements", said Adrian Tanase, Bucharest Stock Exchange CEO.

The municipality was assisted in the private placement by [BRK Financial Group \(BRK\)](#), as an intermediary, and [VMB Partners](#), as a financial consultant.

"For BRK Financial Group, such a listing is a first in recent history, and the interest of investors in this placement gives us hope that such transactions can be carried out more frequently. The yield offered by these bonds, as well as the euro denomination, attracted both retail and institutional investors. We are talking about a series of green bonds, in line with the new trends of promoting durable and sustainable investments. Considering the structure of subscriptions in the placement, respectively with a significant share, both numerically and in terms of value, of retail investors, I think we will have trading orders on both sides of the order book, as well as trades", said Monica Ivan, BRK Financial Group CEO.

"Congratulations to the municipality of Resita, congratulations to the City Hall and the City Council. Today we are recording a first, Resita is the first public authority in Romania to issue green bonds on the Bucharest Stock Exchange. The validation of these bonds as green instruments and the certification of the financing projects' inclusion in the UN sustainable development targets were highlighted in the report prepared by Sustainalytics. The Municipality of Resita received a rating qualification equal to that of Romania from Fitch, and its Standalone Credit Profile is even better than that of the country, rated at bbb+ due to its sustainable debt capacity. Last but not least, congratulations to Mayor Ioan Popa for the profoundly economically responsible approach and for the modern vision he gives to this city", said Valentin Miron, CEO of VMB Partners.

The municipality of Resita, thus, joins 15 other cities and 5 counties in Romania that currently have bonds listed on the BVB. It is about the counties of Alba, Bihor, Cluj, Hunedoara, Timis and the cities: Alba Iulia, Bacau, Bistrita, Bucharest, Focsani, Iasi, Navodari, Oravita, Orastie, Predeal, Siret, Slobozia, Targu Mures, Timisoara, Zalau.

The issuer has the early redemption option in 2029.

According to the rating agency Fitch, the Municipality of Resita has a score of BBB- with a stable outlook and independent credit bbb+, and according to the assessment carried out by Morningstar Sustainalytics, this bond issue meets the four basic components of the Green Bond principles (Usage of funds, Process of Project Evaluation and Selection, Revenue Management and Reporting Framework).

For additional information, please contact:

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