

20 February 2024

The Rt. Hon. Dame Caroline Dinenage DBE MP
Chair, Culture, Media and Sport Select Committee
House of Commons
London
SW1A 0AA

By email: caroline.dinenage.mp@parliament.uk

Dear Dame Caroline,

Update regarding the ownership of the Moravia Gas Storage Joint Venture

I am writing to share with you and the Committee an update on KKCG's holding in Moravia – the Moravia Gas Storage joint venture (MGS) – and about Gazprom's shareholding in it. As previously stated, the Commission does not, and never has, regarded the joint-venture to be relevant to the Fourth National Lottery Licence Competition, however, I am providing this update to keep the Committee up to date with developments regarding the ownership of MGS, as agreed in Andrew Rhodes' previous letters on this matter.

When Andrew last wrote to you on 12 December 2023, he reported that we had received a written update from KKCG on 6 December 2023, that the third and final approval that was required to dilute Gazprom's shareholding had been passed on to the appellate court in the Czech Republic. This was as a result of Uniper – which is owned by the Federal Republic of Germany and is currently involved in enforcement proceedings against Gazprom's assets in Europe to recover debts in Germany – filing for a preliminary injunction, which prompted a shift from the regional court. This process means a ruling was not expected until the end of Quarter 1 2024.

We have now received a further update from KKCG, dated 16 February, that the third and final approval required in the process to dilute Gazprom's shareholding has now been received. MND (which is the separate holding company owned by KKCG that is the shareholder in MGS) has now officially increased its shareholding in the company from 50% to 97.37%.

With full shareholding control, MND is moving to initiate the process to wholly remove Gazprom from the joint venture, in line with our previous correspondence. We anticipate that this will be completed within the next 12 months, but KKCG advise the process remains fluid. We will of course keep you up to date on any pertinent developments.

I hope you and the Committee find this update useful. The Commission will continue to provide updates to you as and when we receive new information regarding the ownership of MGS. If you



Victoria Square House
Victoria Square
Birmingham B2 4BP

T+44 121 230 6666
www.gamblingcommission.gov.uk

have any questions about this or anything else either to do with our work to regulate the National Lottery, or any other areas of our work, please do feel free to get in touch.

Yours sincerely,

A handwritten signature in black ink that reads "Sarah Gardner". The script is fluid and cursive, with the first letters of each name being capitalized and prominent.

Sarah Gardner
Deputy Chief Executive