

## NEWS RELEASE

### **Eurohold will manage the assets of CEZ responsibly and invest in innovations in favor of the consumers**

*The holding company will develop a regional utility company*

**Sofia, Oct 9<sup>th</sup> 2019** - **Eurohold Bulgaria**, a leading independent business group, operating in the CEE/SEE/CIS region, plans to manage responsibly CEZ Group's companies in Bulgaria and aims at developing Eastern European Electric Company into a regional utility services provider after the completion of the deal with the Czech company. This is part of the holding's strategy for the development of the energy business of the group, presented today.

Eastern European Electric B.V. (EEE) is 100% owned by **Eurohold** and will consolidate the energy business of the holding. Bulgaria-based holding company's strategy for EEE is developed by its energy board that includes experts with solid international experience - Gary Levesly, Dan Catalin Stancu and Georgi Mikov (more than 25-year experience). The energy board supports the integration of the acquired CEZ Group's companies and will merge into part of the supervisory board of the companies within the group of EEE.

*"Our intention is to develop EEE into a regional utility services provider regarding the sustainability of the business and the customer satisfaction. We will also invest in technologies that will improve the efficiency. In addition to this we will aim at financial stability complying with the regulatory framework. We have already announced we had secured the continuity in the operational management of the assets that we are going to take over,"* said Assen Christov, chairman of the supervisory board of **Eurohold**. *"The experience we have accumulated through the management of a wide range of companies along with the thirty acquisitions of different businesses we have made in several sectors running them successfully afterwards, guarantee that we will manage the assets of CEZ responsibly,"* added Assen Christov.

*"The development of EEE into the largest independent utility company in the CEE/SEE countries is our strategic goal after the successful integration of CEZ Group's companies in Bulgaria. The transaction gives us an opportunity to contribute to the development of the energy sector in Bulgaria and the region,"* pointed out Gary Levesly, member of **Eurohold**'s energy board.

The investment strategy is focused on the improvement of the customer service quality, the implementation of remote reading of electrometers, the implementation of a modern system for reducing the time length and frequency of blackouts, the improvement of the management and control system concerning the electricity grid and others. *"The priority of the investment program will be the reduction of the grid losses, the implementation of new technologies for network management to ensure power quality and control in the processes related to the coordination with the various local renewable energy sources,"* explained Dan Catalin Stancu, a member of **Eurohold**'s energy board. The smart

technologies to be implemented and the digitization of the processes that is upcoming will improve the management of the company, according to Stancu.

**Eurohold** will support and develop the existing investment programme of CEZ in the way it is approved by the energy regulator (Commission for energy and water regulation), and will further invest in the acquired companies. Sizable investments of over BGN 270 million CAPEX are planned for the current regulatory period (by 2020) and over BGN 260 mln for the next regulatory period in (by 2023).

**Eurohold**, a leading independent business group operating in the CEE/SEE/CIS region and the largest Bulgaria-based publicly-listed holding company, signed a contract with CEZ Group for the acquisition of Czech energy group's business in Bulgaria on June 20<sup>th</sup>, 2019.

**Eurohold** will pay EUR 335 million for the acquisition of CEZ Group's subsidiaries in Bulgaria.

**Eurohold** will finance the acquisition through a combination of equity and debt financing provided by two global investment banks.

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#### **Eurohold Bulgaria AD**

*Sofia-based Eurohold Bulgaria AD is a leading independent business group, operating in the CEE/SEE/CIS region and the largest publicly-listed holding company in Bulgaria. Eurohold's subsidiaries operate in the field of insurance, leasing, car sales, asset management and investment services in 10 European countries. The company is listed on the Bulgarian Stock Exchange and the Warsaw Stock Exchange. The group has over 2.5 million clients and approximately 3000 employees. As of 2018, Eurohold's consolidated revenues amounted to BGN 1.3 billion, its operating profit reached BGN 52.3 million and its consolidated assets totalled BGN 1.4 billion. For the last 20 years the holding company has completed 16 successful acquisitions of companies in different business segments in Central and Eastern Europe in transactions with leading corporations in Europe. Eurohold owns Euroins Insurance Group (EIG), one of the largest independent insurance groups in the CEE/SEE/CIS region, operating in 10 European markets, including own subsidiaries in Bulgaria, Romania, North Macedonia, Ukraine, Georgia and Russia. EIG is also operating in Greece and has niche operations in Spain, Poland and Italy. In March, 2019, EIG agreed to take over 4 insurance companies from Germany-based ERGO in 3 European countries - Romania, the Czech Republic and Belarus.*

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