

NEWS RELEASE

Bulgaria's antitrust body opened proceedings concerning Eurohold's planned acquisition of CEZ Group's subsidiaries in Bulgaria

Eurohold will acquire CEZ Group's companies through its newly established subsidiary Eastern European Electric Company B.V.

Sofia, Oct 3rd 2019 - Bulgaria's Commission for Protection of Competition announced on October 3rd, 2019 that it has opened proceedings concerning **Eurohold Bulgaria**'s planned acquisition of CEZ Group's subsidiaries in Bulgaria.

Eurohold will acquire CEZ Group's companies in Bulgaria through Eastern European Electric Company B.V., a newly established Dutch-based company that is 100% owned by **Eurohold Bulgaria** and is especially established for the purpose of the deal with CEZ Group. Eastern European Electric Company B.V. will operate as a **Eurohold**'s subholding and will take over the operations of all CEZ Group's subsidiaries in Bulgaria after obtaining the necessary regulatory approvals. It is set up in the Netherlands according to the requirements of the two global investment banks that will finance the transaction.

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 20th, 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.

CEZ's assets in Bulgaria comprise power utility CEZ Distribution Bulgaria, power supplier CEZ Electro Bulgaria, licensed electricity trader CEZ Trade Bulgaria, IT services company CEZ ICT Bulgaria, solar park Free Energy Project Oreshetz, biomass-fired power plant Bara Group and CEZ Bulgaria.

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.

www.eurohold.bg www.eig.bg