

Internal Information

CEZ Group enters German ESCO market by acquiring Elevion from DPE Deutsche Private Equity

Elevion is a leading integrated provider of multi-technical building services and a well-established trademark on the German ESCO market. The company represents a strong platform for providing energy services to industrial corporations, cities and municipalities as well as the building sector. Elevion's revenues have been increasing by more than 30 percent on average annually over the past five years. Among their important customers are blue chip companies across a broad range of industries including aerospace, automotive, food, healthcare, industrial, and technology.

"Today ČEZ ESCO is the most important player on the Czech market and is becoming the largest provider of ESCO business in the Central and South-East European region," stated Daniel Beneš, ČEZ's Chairman of the Board of Directors and CEO. *"In accordance with our strategy we want to expand this type of business in other countries similar to the Czech Republic in terms of energy markets and economic environment. The German market of energy services and savings is one of the most dynamic in Europe."*

The European Union has set out a goal to increase energy efficiency by 27 percent until 2030 and Germany is one of the biggest promoters to reach this goal. Based on various studies the German ESCO services market is going to continue to grow significantly every year, with an estimated up to five-fold future growth for Europe with regard to the new energy industry as compared to traditional energy industry.

„Elevion Management and I are very pleased with the strategic partnership with CEZ. As one of the ten largest energy companies in Europe, CEZ offers considerable experience in the field of ESCO business, from which Elevion will benefit. Through the partnership with CEZ, our company will be able to further develop and expand its service portfolio considerably," said Lars Eberlein, CEO of Elevion.

The seller is DPE Deutsche Private Equity, a private equity fund that acquired Elevion in 2011 and supported the management team in developing the company to become one of the largest technical building and energy services providers in Germany.

Elevion is a well-established, renowned and leading integrated provider of multi-technical building services to commercial and industrial buildings and facilities in Germany with a strong basis of multi branch customers. Elevion specializes in both the installation of electrical and mechanical energy equipment in greenfield projects as well as in existing structures and also provides the complete technical management of buildings and overall improvement of energy consumption of customers facilities and processes.

ČEZ acquires a 100% share in the company. The current management will remain in their positions and continue to develop Elevion further together with ČEZ ESCO.

"With the acquisition of Elevion we gain a platform for our expansion on the dynamically growing German market for energy savings and services. ČEZ ESCO has now 1,300 employees. With the acquisition of Elevion the number of our experts in the energy

services field more than doubles,” says Pavel Cyrani, a member of the Board of Directors and the Chief Sales and Strategy Officer of ČEZ. “We are also glad that the current management with the CEO Lars Eberlein at the helm is going to continue in their successful work and together with us will lead Elevion towards further growth.”

The transaction is expected to be completed during the summer after having been approved by respective antitrust authorities.

About Elevion:

Elevion comprises 32 daughter companies is headquartered in Jena, Thuringia. It is an expert in energy services, HVAC and technical installations for commercial and industrial buildings and facilities including the modernization of their energy management and complete remodelling. Elevion operates across 30 locations all over Germany and has over 1,800 employees that acquire and execute several thousand projects each year. The company's revenues exceed 300 million Euro. Elevion's roots date back to 1948. It is led by CEO Lars Eberlein, a grandson of the company's founder.

About ČEZ Group:

The ČEZ Group has 8 million customers and market capitalization of 9 billion Euro which places it among the ten largest energy companies in Europe. The group consists of 124 companies and has nearly 27,000 employees. It operates in Czech Republic, Slovakia, Germany, France, Poland, Hungary, Bulgaria, Romania and Turkey. Its revenues in 2016 reached 204 billion CZK and EBITDA of 58 billion CZK.

In Germany the ČEZ Group owns wind power farms with a capacity of 135 MW and through the INVEN CAPITAL fund holds shares in fast growing new energy companies sonnen, Sunfire, tado° and Cloud&Heat Technologies.

About ČEZ ESCO

ČEZ ESCO (Energy Service Company) is a daughter company of ČEZ, which comprehensively covers the energy demands of companies, towns and institutions of all sizes. ČEZ ESCO provides commodities, energy audits and energy consultancy, energy performance contracting (EPC), outsources the operation of customer energy systems and is also a reliable and experienced partner for the construction of cogeneration units and photovoltaic power plants. ČEZ ESCO comprises companies AZ KLIMA, ČEZ Bytové domy, ČEZ Energetické služby, ČEZ ENERGO, ČEZ LDS, ČEZ Solární, ENESA and EVČ.

About DPE Deutsche Private Equity

Deutsche Private Equity GmbH (DPE) is an independent German investment company that invests in SMEs in Germany, Austria and Switzerland. Founded in 2007, DPE has since successfully launched three funds, managing total assets of 1.2 billion Euro. Since its foundation, DPE has invested in 20 companies both as majority and minority shareholders and pursued 47 add-on investments.