

Internal Information

ČEZ Group has reached an agreement to acquire a 55.21% stake in the gas infrastructure operator GasNet

ČEZ Group announces the acquisition of a 55.21% stake in GasNet, the leading gas distribution infrastructure operator based in the Czech Republic. Natural gas, and later also hydrogen, will play a key role in the future development of the Czech economy. Through this acquisition, ČEZ Group is securing a strategic position in the transformation of the Czech heat generation industry and its transition away from coal-powered energy generation towards the natural gas and later hydrogen. The ownership stake being sold is currently managed by Macquarie Asset Management, acting on behalf of managed funds. The completion of the transaction is subject to approvals by the European Commission and the Czech Ministry of Industry and Trade.

“ČEZ has announced an extensive energy modernisation initiative, with ambitious goals in green and low-emission energy for 2030 as part of its Clean Energy for Tomorrow strategy. In the realm of power generation, we focus on renewable resources and nuclear power; in the heat and power generation sector, on biomass and natural gas, which will be serving as a transitional fuel for the energy transformation. We’ve already acquired a significant capacity in two liquified gas terminals in Germany and the Netherlands, and this acquisition of the country’s largest gas distribution system operator will further strengthen our position within the gas market. We are acquiring assets important for the transition of the Czech heat and power generation sector to hydrogen; while increasing the proportion of regulated business within our portfolio for the benefit of our shareholders,” said **Daniel Beneš, Chairman of the Management Board and CEO of ČEZ.**

With the acquisition of the majority stake in GasNet ČEZ also fulfils its business plan in the area of gas distribution, which constitutes a part of the ČEZ Business Concept approved at the company’s general meeting.

The agreed purchase price amounts to EUR 846.5 million which corresponds to the equity value of the 55.21% stake being acquired. The purchase price will be financed with a bridge loan underwritten by a syndicate of commercial banks, with a subsequent refinancing facilitated via the bond market.

The GasNet Group is managing a network of 65,000 km of gas pipelines and holds an approximately 80% share in the distribution of natural gas in the Czech Republic, serves approximately 2.3 million points of consumption, distributing 66 TWh of gas every year. The completion of the transaction is subject to approval by the European Commission and the Czech Ministry of Industry and Trade.

“In light of swiftly approaching end of coal in power and heat generation, natural gas distributed by GasNet is a crucial component of energy security in the near future. Later the role of GasNet network will continue with transporting hydrogen or other green gases. ČEZ aims to leverage its extensive experience with operation of power distribution and to focus on achieving synergies in operating both the gas and electricity networks on almost fully overlapping territories,” said **Pavel Cyrani, Vice Chairman of the Management Board of ČEZ.**

Transaction structure:

The subject of the transaction is a 55.21% stake in Czech Gas Networks, S.à r.l., which is the sole owner of Czech Gas Networks Investments, S.à r.l., the owner of Czech Grid Holding, a.s., which in turn owns GasNet, s.r.o., and GasNet Služby, s.r.o. The seller is Macquarie Asset Management on behalf of managed funds.